

BC FINANCIAL SERVICES AUTHORITY

IN THE MATTER OF THE *REAL ESTATE DEVELOPMENT MARKETING ACT*
SBC 2004, c 41 as amended

AND

IN THE MATTER OF

INHAUS WEST 8TH LIMITED PARTNERSHIP

AND

INHAUS WEST 8TH GP LTD.

CONSENT ORDER

(Pursuant to section 28 of the *Real Estate Development Marketing Act*)

[This Order has been redacted before publication.]

RESPONDENTS: INHAUS WEST 8TH LIMITED PARTNERSHIP AND
INHAUS WEST 8TH GP LTD.

DATE OF CONSENT ORDER: October 21, 2022

COUNSEL: Melanie Booth, Legal Counsel for BC Financial Services Authority
Carina Chiu, Legal Counsel for the Respondents

PROCEEDINGS:

On October 21, 2022, the Superintendent of Real Estate (the "Superintendent") of the BC Financial Services Authority ("BCFSA") resolved to accept the Consent Order Proposal (the "Proposal") submitted by InHaus West 8th Limited Partnership and InHaus West 8th GP Ltd.

WHEREAS the Proposal, a copy of which is attached hereto, has been executed by InHaus West 8th Limited Partnership and InHaus West 8th GP Ltd.

NOW THEREFORE, having made the findings proposed in the attached Proposal, and found InHaus West 8th Limited Partnership and InHaus West 8th GP Ltd. failed to file information respecting assignments in the Condo and Strata Assignment Integrity Registrar for the [Development 1] for eight quarterly periods between January 1, 2020 and December 31, 2021 contrary to section 20.4 of the Real Estate Development Marketing Act (REDMA) and InHaus West 8th Limited Partnership and InHaus West 8th GP Ltd. failed to comply with the terms of the undertaking accepted by the Office of the Superintendent of Real Estate on November 7, 2019, from November 7, 2019 to February 28, 2022, contrary to section 36 of the REDMA, and pursuant to sections 28, 30 and 31 of REDMA, the Superintendent orders that:

1. InHaus West 8th Limited Partnership and InHaus West 8th GP Ltd. and their directors Panagiotis G. Kefala, and Antonio Russo, jointly and severally, pay an administrative penalty in the amount of \$44,000

immediately upon execution of this Order, pursuant to section 30(1)(d)(i) of the REDMA.

2. InHaus West 8th Limited Partnership and InHaus West 8th GP Ltd. and their directors Panagiotis G. Kefala, and Antonio Russo, jointly and severally, pay costs of the investigation to BCFSA in the amount of \$3,110 immediately upon execution of this Order, pursuant to sections 30(1)(c) and 31(1)(a) of the REDMA.
3. All payments above shall be made within 30 days of execution of the Consent Order.

Dated this 21st day of October 2022 at the City of Victoria, British Columbia

BC FINANCIAL SERVICES AUTHORITY

“JONATHAN VANDALL”

Jonathan Vandall
Delegate of the Superintendent of Real Estate
Province of British Columbia

Attachment – Consent Order Proposal submitted by InHaus West 8th Limited Partnership and InHaus West 8th GP Ltd.

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**IN THE MATTER OF THE *REAL ESTATE DEVELOPMENT MARKETING ACT*
SBC 2004, c 41 as amended**

AND

IN THE MATTER OF

INHAUS WEST 8TH LIMITED PARTNERSHIP

AND

INHAUS WEST 8TH GP LTD.

CONSENT ORDER PROPOSAL

(Pursuant to section 28 of the *Real Estate Development Marketing Act*)

BACKGROUND

1. The BC Financial Services Authority (“BCFSA”) is responsible for enforcing developer filing requirements under the Real Estate Development Marketing Act (“REDMA”) and the Real Estate Development Marketing Regulation (the “Regulation”) in the Condo and Strata Assignment Integrity Register (“CSAIR”).
2. CSAIR is an online database for assignments of purchase agreements entered into by developers for the sale or lease of residential strata lots in B.C., including both pre-sale lots and completed lots.
3. The CSAIR reporting requirements came into effect on January 1, 2019. REDMA requires developers of residential strata lots in B.C. to collect and file information respecting assignments of purchase agreements that developers consent to on or after January 01, 2019, in the CSAIR in the form and manner prescribed in the Regulation.
4. Developers are required to create an account with the Land Title and Survey Authority of B.C. (“LTSA”), register their development in CSAIR, and file assignment information in accordance with the prescribed schedule and reporting periods listed in the Regulation.
5. CSAIR reporting requirements start when the first purchase agreement is entered into by the developer. The quarterly reporting periods are:
 - a) January 1 – March 31
 - b) April 1 – June 30
 - c) July 1 – September 30
 - d) October 1 – December 31
6. Information must be filed in CSAIR within 30 days after the end of each quarter. If there are no assignments during a reporting period, a statement certifying that there were no assignments during the reporting period must still be filed within 30 days after the end of that reporting period.

FACTS

This Consent Order Proposal (the “Proposal”) is made by Panagiotis George Kefala, Antonio Russo, InHaus West 8th Limited Partnership, and InHaus West 8th GP Ltd. to the Superintendent of Real Estate (the “Superintendent”) of the BCFSA pursuant to section 28 of REDMA.

For the purposes of the Proposal, the Superintendent and Panagiotis George Kefalas, Antonio Russo, InHaus West 8th Limited Partnership, and InHaus West 8th GP Ltd. have agreed upon the following facts:

7. InHaus West 8th GP Ltd. was incorporated in British Columbia on June 15, 2017, and has a registered and records office at [Address Redacted] in Vancouver, British Columbia (“InHaus GP”). Panagiotis George Kefalas and Antonio Russo are the sole directors (the “Directors”) of InHaus GP.
8. InHaus West 8th Limited Partnership was registered in British Columbia on June 20, 2017, and has a registered office at [Address Redacted] in Vancouver, British Columbia (“InHaus LP”). The general partner information for InHaus LP is listed as InHaus GP.
9. InHaus GP and InHaus LP are the developers (together, the “Developer”) of a property named [Development 1] (the “[Development 1]”).
10. The Developer filed a disclosure statement for [Development 1] on May 24, 2019 (the “Disclosure Statement”).
11. The Disclosure Statement discloses, in part, the following:
 - a) [Development 1] will be located on [Address 1], Vancouver, British Columbia, and will be comprised of 23 strata lots.
 - b) The legal description for the parent property is:

Parcel Identifier: [Parcel ID 1]

Parcel Identifier: [Parcel ID 2]

Parcel Identifier: [Parcel ID 3]

Parcel Identifier: [Parcel ID 4]
 - c) Before the Developer consents to the assignment of a purchase agreement, the Developer will be required to collect information and records under REDMA.
12. Investigation by Staff revealed that the first purchase agreement was entered into on October 13, 2019. The CSAIR requirements came into effect on January 01, 2019, and the Developer’s obligation to report started when the developer entered into their first purchase agreement. Therefore, the first filing in CSAIR for [Development 1] should have been submitted in January 2020, following the October 01 – December 31 quarterly reporting period.
13. On November 4, 2019, BCFSA staff wrote to the Directors and Developer to advise of a possible breach of REDMA and the Regulation. The correspondence provided resources and instructions on how to register and file the required information.
14. On November 7, 2019, the Office of the Superintendent of Real Estate (“OSRE”) accepted a written undertaking pursuant to section 36 of REDMA from the Directors and Developer, in which the Developer undertook to immediately register the Development in CSAIR, and to file an activity report as required and set out in the Regulation within 30 days from the end of the CSAIR reporting period in which the undertaking was made (the “Undertaking”).
15. Several subsequent notifications have been sent prompting the Developer and Directors to fulfil their filing obligations, including the following:

- a) Email and letter sent from OSRE on November 14, 2019;
 - b) Email sent from OSRE on July 10, 2020;
 - c) Email sent on March 29, 2021, attaching letter dated March 26, 2021, from OSRE;
 - d) Email from OSRE on June 18, 2021;
 - e) Email from OSRE dated July 5, 2021; and
 - f) Email from BCFSA dated February 22, 2022.
16. On Monday, February 28, 2022, the Developer registered [Development 1] on LTSA. The Developer filed an assignment report for Q1 2022 during the applicable filling window.

PROPOSED FINDINGS

1. The Developer failed to file information respecting assignments in CSAIR for [Development 1] for eight quarterly periods between January 1, 2020, and December 31, 2021, contrary to section 20.4 of REDMA; and
2. The Developer and Directors failed to comply with the terms of the undertaking accepted by the Office of the Superintendent of Real Estate on November 7, 2019, from November 7, 2019, to February 28, 2022, contrary to section 36 of REDMA.

PROPOSED ORDERS

Based on the facts herein and the Proposed Findings, the Directors and the Developer propose that the Notice of Hearing in this matter be resolved through the following orders being made by the Superintendent pursuant to section 28, 30, and 31 of REDMA (the "Order"):

1. The Developer and Directors shall be jointly and severally liable to pay a penalty of \$44,000;
2. The Developer and Directors shall jointly pay enforcement expenses in the amount of \$3,110; and
3. All payments above shall be made within 30 days of execution of the Consent Order.

ACKNOWLEDGEMENTS AND WAIVER OF APPEAL RIGHT

1. The Directors and Developer understand that the Superintendent may accept or reject the Proposal. If the Proposal is rejected by the Superintendent, the matter may be referred to a disciplinary hearing.
2. The Directors and Developer acknowledge that they have been urged and given the opportunity to seek and obtain independent legal advice with respect to the disciplinary process, the allegations contained in the Notice of Hearing, and the execution and submission of the Proposal to the Superintendent; and, that they have obtained independent legal advice or have chosen not to do so, and that they are making the Proposal with full knowledge of the contents and the consequences if the Proposal is accepted.
3. The Directors and Developer acknowledge and are aware that BCFSA will publish the Proposal and the Consent Order or summaries thereof on BCFSA's website, on CanLII, a website for legal research, and in such other places and by such other means as BCFSA in its sole discretion deems appropriate.

4. The Directors and Developer hereby waive their right to appeal pursuant to section 37 of REDMA.
5. If the Proposal is accepted and/or relied upon by the Superintendent, the Directors and Developer will not make any public statement(s) inconsistent with the Proposal and its contents. Nothing in this section is intended to restrict the Directors and Developer from making full answer and defence to any civil or criminal proceeding(s).
6. The Proposal and its contents are made by the Directors and Developer for the sole purpose of resolving the Notice of Hearing in this matter and do not constitute an admission of civil liability. Pursuant to section 28(3) of REDMA, the Proposal and its contents may not be used without the consent of the Directors and Developer in any civil proceeding with respect to the matter.

"PANAGIOTIS G. KEFALA"

Panagiotis G. Kefala

Dated 6 day of October, 2022

"ANTONIO RUSSO"

Antonio Russo

Dated 6 day of October, 2022

"PANAGIOTIS G. KEFALA"

**Authorized signatory for
InHaus West 8th GP Ltd.**

Dated 6 day of October, 2022

"PANAGIOTIS G. KEFALA"

**Authorized signatory for
InHaus West 8th Limited Partnership**

Dated 6 day of October, 2022