

BC FINANCIAL SERVICES AUTHORITY

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

IN THE MATTER OF

SANDHILL HOMES LTD.

CONSENT ORDER

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

[This Order has been redacted prior to publication.]

RESPONDENT: Sandhill Homes Ltd.

DATE OF CONSENT ORDER: January 9, 2023

COUNSEL: Michael Jones, Legal Counsel for the BC Financial Services Authority
Jasdeep Gill-Kahlon, Legal Counsel for the Respondent

PROCEEDINGS:

On January 9, 2023, the Superintendent of Real Estate (the "Superintendent"), or the Superintendent's authorized delegate, of the BC Financial Services Authority ("BCFSA") accepted the Consent Order Proposal (the "Proposal") submitted by Sandhill Homes Ltd.

WHEREAS the Proposal, a copy of which is attached hereto, has been executed by Sandhill Homes Ltd.

NOW THEREFORE, having made the findings proposed in the attached Proposal, and found that Sandhill Homes Ltd. failed to file information respecting assignments in the Condo and Strata Assignment Integrity Registrar for the [Development 1] for thirteen quarterly periods between January 1, 2019, and March 31, 2022, contrary to section 20.4 of the *Real Estate Development Marketing Act* ("REDMA"), pursuant to sections 28, 30 and 31 of the REDMA, the Superintendent orders that:

1. Sandhill Homes Ltd. and its director, Hardeep Kaur Sandhu, shall jointly and severally, pay an administrative penalty in the amount of \$44,000.00 immediately upon execution of this Order, pursuant to section 30(1)(d)(i) of the REDMA.
2. Sandhill Homes Ltd. and its director, Hardeep Kaur Sandhu, shall jointly and severally, pay costs of the investigation to BCFSA in the amount of \$3,900.00 immediately upon execution of this Order, Pursuant to sections 30(1)(c) and 31(1)(a) of the REDMA.

3. All payments above be made within 30 days of execution of the Consent Order.

Dated this 9th day of January, 2023 in Vancouver, 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 Sandhill Homes Ltd.

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
SANDHILL HOMES 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 Hardeep Kaur Sandhu and Sandhill Homes 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 Hardeep Kaur Sandhu and Sandhill Homes Ltd. have agreed upon the following facts:

7. Sandhill Homes Ltd. was incorporated in British Columbia on February 24, 2003, and it has a registered and records office at 228-11020 No. 5 Road in Richmond, British Columbia ("Sandhill"). Hardeep Kaur Sandhu is the sole director of Sandhill.

8. Sandhill is the developer of a property named [Development 1] (the “[Development 1]”).
9. Sandhill Homes Ltd. filed a disclosure statement for the [Development 1] on August 31, 2018 (the “Disclosure Statement”).
10. The Disclosure Statement discloses, in part, the following:
 - a) [Development 1] will be located at [Property 1], Langley, British Columbia, and will be comprised of 64 strata lots.
 - b) The legal description for the parent property is:
Parcel Identifier: [Redacted]
 - c) The assignment of the purchase contract is allowed with the consent of the vendor.
11. Sandhill Homes Ltd. filed a second disclosure statement for the [Development 1] on January 29, 2019 (the “Second Disclosure Statement”).
12. The Second Disclosure Statement discloses, in part, the following:
 - a) The additional assignment terms required by section 10.2(1) of the Regulation.
13. Investigation by Staff revealed that the first purchase agreement was entered into on October 5, 2018. The next purchase agreement was entered into on March 6, 2019. The CSAIR requirements came into effect on January 01, 2019, and Sandhill Homes Ltd.’s obligation to report started when it entered into its first purchase agreement. Therefore, the first filing in CSAIR for the [Development 1] should have been submitted in April 2019, following the January 01 – March 31 quarterly reporting period.
14. On February 14, 2020, Office of the Superintendent of Real Estate (“OSRE”) Staff wrote to counsel of record, [Individual 1] of [Firm 1] for Sandhill Homes Ltd. 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 and requested that Sandhill Homes Ltd. provide a written undertaking.
15. On February 27, 2020, OSRE Staff accepted a written undertaking pursuant to section 36 of REDMA from Sandhill Homes Ltd., in which Sandhill Homes Ltd. 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”).
16. Several subsequent notifications have been sent prompting Sandhill Homes Ltd. to fulfil its filing obligations, including the following:
 - a) Email sent from OSRE on July 7, 2020;
 - b) Letter sent from OSRE on March 26, 2021;
 - c) Telephone call between OSRE and [Individual 2] on April 8, 2021;
 - d) Email sent from OSRE on April 12, 2021;
 - e) Email sent from OSRE on May 5, 2021;
 - f) Email sent from OSRE on June 21, 2021;
 - g) Email sent from BCFSA on January 7, 2022;

- h) Email sent from BCFSA on March 24, 2022;
 - i) Email sent from BCFSA on April 7, 2022;
 - j) Letter sent by regular mail and email from BCFSA on April 19, 2022; and
 - k) Email sent from BCFSA on June 27, 2022.
17. On February 8, 2021, Sandhill Homes Ltd. consented to the assignment of Strata Lot 43 in the [Development 1] (the "Assignment").
18. On July 30, 2021, Sandhill Homes Ltd. registered the [Development 1] on LTSA. Sandhill Homes Ltd. filed an assignment report for quarter 2 in 2021 during the applicable filing window reporting the Assignment. However, Sandhill Homes Ltd. failed to include other required information:
- a) Sandhill Homes Ltd. initially failed to supply the social insurance number of assignees as required by section 20.4 of the REDMA and as prescribed in section 10.3 of the Regulation, but eventually rectified this on July 18, 2022.
 - b) Sandhill Homes Ltd. initially failed to file assignment reports in quarters 3 and 4 in 2021 and in quarters 1 and 2 of 2022, but eventually rectified this on July 18, 2022.
 - c) Sandhill Homes Ltd. initially failed to file the strata plan deposit date, but eventually rectified this and reported accurately the multiple phases of the project on July 18, 2022.
19. Sandhill Homes Ltd. did not file an assignment report under CSAIR in quarters 3 and 4 of 2021. During this period, the reported Assignment was the sole assignment at the [Development 1].
20. Sandhill Homes Ltd. communicated with the OSRE and BCFSA several times and were told the filing requirements.
21. The regulation process was new and Sandhill Homes Ltd. misunderstood that they were complying with the regulations as no assignments had occurred during the reporting periods.
22. Sandhill Homes Ltd. has been compliant with its reporting requirements since July 18, 2022.

PROPOSED FINDINGS

1. Sandhill Homes Ltd. failed to file information respecting assignments in CSAIR for the [Development 1] for thirteen quarterly periods between January 1, 2019, and March 31, 2022, contrary to section 20.4 of REDMA; and
2. Sandhill Homes Ltd. failed to comply with the terms of the undertaking accepted by the Office of the Superintendent of Real Estate on February 25, 2020, from February 25, 2020, until July 18, 2022, contrary to section 36 of REDMA.

PROPOSED ORDERS

Based on the facts herein and the Proposed Findings, Sandhill Homes Ltd. proposes that the Notice of Hearing in this matter be resolved through the following orders being made by the Superintendent pursuant to sections 28, 30, and 31 of REDMA (the "Order"):

1. Sandhill Homes Ltd. and its director, Hardeep Kaur Sandhu shall be jointly and severally liable to pay a penalty of \$44,000;

2. Sandhill Homes Ltd. and its director, Hardeep Kaur Sandhu shall jointly pay enforcement expenses in the amount of \$3,900; and
3. All payments above shall be made within 30 days of execution of the Consent Order.

ACKNOWLEDGEMENTS AND WAIVER OF APPEAL RIGHT

1. Sandhill Homes Ltd. understands 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. Sandhill Homes Ltd. acknowledges that they 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. Sandhill Homes Ltd. acknowledges and is 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. Sandhill Homes Ltd. hereby waives their right to appeal pursuant to section 37 of REDMA.
5. If the Proposal is accepted and/or relied upon by the Superintendent, Sandhill Homes Ltd. will not make any public statement(s) inconsistent with the Proposal and its contents. Nothing in this section is intended to restrict Sandhill Homes Ltd. from making full answer and defence to any civil or criminal proceeding(s).
6. The Proposal and its contents are made by Sandhill Homes Ltd. 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 Sandhill Homes Ltd. in any civil proceeding with respect to the matter.

"HARDEEP SANDHU"

Hardeep Kaur Sandhu
Authorized signatory for
Sandhill Homes Ltd.

Dated 6th **day of** January, **2023**