



IN THE MATTER OF THE *REAL ESTATE SERVICES ACT*  
S.B.C. 2004, c. 42

- AND -

KHALIL ALTAF KASSAM and  
KHALIL ALTAF KASSAM doing business as PACIFIC RIM LIVING

ORDERS UNDER SECTIONS 46, 51 AND 49 OF  
THE *REAL ESTATE SERVICES ACT*

UPON REVIEWING the submissions and exhibits contained in the Investigation Report prepared by the staff of the Superintendent of Real Estate ("Staff"), I am of the opinion that:

**Background**

1. Pacific Rim Living ("PRL") has been registered as a sole proprietorship in British Columbia since January 18, 2011. Khalil Altaf Kassam ("Kassam") is the registered sole proprietor of PRL. PRL has two separate active registrations, one under Registration Number FM0547363, registered on January 18, 2011 and a second under Registration Number FM0575866, registered on February 7, 2012.

The stated nature of business is "other activities related to real estate" and "lessors of other real estate property".

2. Kassam and PRL are not, nor have they ever been, licensed to provide real estate services in British Columbia.

**Applicable Legislation**

3. Section 1 of the *Real Estate Services Act* ("RESA") provides the following definitions:

*"providing", in relation to real estate services, includes*

- (a) offering to provide such services,
- (b) holding oneself out as a person who provides such services, or
- (c) soliciting for the purposes of the provision of such services;

**"real estate" means**

- (a) real property,
- (b) regardless of whether it is or is not an interest in real property, a cooperative interest, shared interest in land or time share interest, as these are defined in the Real Estate Development Marketing Act, and
- (c) a right in relation to real property that is defined by regulation to be real estate,

but does not include a right in relation to real property that is excluded by regulation;

**"real estate services" means**

- (a) rental property management services,
- (b) strata management services, or
- (c) trading services;

**"remuneration"** includes any form of remuneration, including a commission, fee, gain or reward, whether the remuneration is received, or is to be received, directly or indirectly;

**"rental property management services"** means any of the following services provided to or on behalf of an owner of rental real estate:

- (a) trading services in relation to the rental of the real estate;
- (b) collecting rents or security deposits for the use of the real estate;
- (c) managing the real estate on behalf of the owner by
  - (i) making payments to third parties,
  - (ii) negotiating or entering into contracts,
  - (iii) supervising employees or contractors hired or engaged by the owner, or
  - (iv) managing landlord and tenant matters

but does not include an activity excluded by regulation;

**"rental real estate"** means real estate that is or is intended to be rented or leased;

**"trading services"** means any of the following services provided to or on behalf of a party to a trade in real estate:

- (a) advising on the appropriate price for the real estate;
- (b) making representations about the real estate;
- (c) finding the real estate for a party to acquire;
- (d) finding a party to acquire the real estate;
- (e) showing the real estate;
- (f) negotiating the price of the real estate or the terms of the trade in real estate;
- (g) presenting offers to dispose of or acquire the real estate;
- (h) receiving deposit money paid in respect of the real estate

but does not include an activity excluded by regulation;

4. Section 3(1) of *RESA* prohibits the unlicensed provision of real estate services. It states:

- 3(1) *A person must not provide real estate services to or on behalf of another, for or in expectation of remuneration, unless the person is*
- (a) *licensed under this Part to provide those real estate services, or*
  - (b) *exempted by subsection (3) of the regulations from the requirement to be licensed under this Part in relation to the provision of those real estate services.*

5. Section 48 of *RESA* sets out the Superintendent's investigative and enforcement authority with respect to unlicensed conduct:

48(1) *The superintendent may conduct an investigation to determine whether*

- (a) *a person who does not hold a licence has engaged in any activity for which a licence under this Act is required, or*
- (b) *a licensee has, in a way that is seriously detrimental to the public interest,*
  - (i) *contravened this Act, the regulations or the rules,*
  - (ii) *breached a restriction or condition of their licence, or*
  - (iii) *done anything that constitutes wrongful taking or deceptive dealing.*

(2) *Subject to subsection (3), the superintendent may issue a notice of hearing and conduct a hearing following an investigation under subsection (1).*

(3) *In relation to an investigation under subsection (1) (b),*

- (a) *the superintendent must notify the real estate council before issuing a notice of hearing, and*
- (b) *the superintendent may issue the notice of hearing only if*
  - (i) *no notice under section 40 [notice of discipline hearing] has been issued by the real estate council, and*
  - (ii) *no order under section 45 [orders in urgent circumstances] has been made by a discipline committee.*

(4) *The following provisions of this Part apply to the superintendent acting under this Division, in relation to an unlicensed person or a licensee, as if the superintendent were the real estate council or a discipline committee exercising authority under the applicable provision in relation to a licensee:*

- (a) *section 37 [investigations];*
- (b) *section 38 [court order for search and seizure];*
- (c) *section 40 [notice of discipline hearing];*
- (d) *section 41 [consent orders], in relation to orders that the superintendent may make under section 49 [orders respecting unlicensed activity] or 50 [orders against licensees in the public interest];*
- (e) *section 42 [discipline hearings];*
- (f) *section 46 [orders to freeze property].*

**2011 Investigation**

6. After an internal referral on July 14, 2011 and receipt of a complaint on September 7, 2011, a review of PRL's real estate services activities was conducted by counsel for the Superintendent of Real Estate ("Counsel"). On September 12, 2011, Counsel sent a warning letter to Kassam notifying him that Staff received a complaint of possible unlicensed activity against himself and PRL. Counsel referred to PRL's website, noting the services it provided, the fact that neither PRL, nor Kassam appeared to own the properties listed there for rent and provided Kassam with the license requirements under *RESA*.
7. On September 15, 2011, Kassam responded to counsel's letter via email stating; "Pacific Rim Living (PRL) provides marketing services for properties in the downtown area. Other than those units owned by my parents, I provide solely marketing services online through search engine optimization, web visibility, heat searches, banner ads and advertising. The rentals are conducted by the owners themselves, and we do not provide any advice in real estate matters."
8. On September 19, 2011, Counsel responded to Kassam noting that searches conducted found that the five properties noted belonged to Kassam's parents and that the majority of the units found on PRL's website were owned by third parties. Counsel suggested that the website be modified in order to clarify which services they provided to third party landlords and tenants, so that it was clear that where others' homes are concerned, they only provide an advertising platform and nothing more, and that all negotiations and contact will be between prospective tenants and third party owners directly.
9. On October 19, 2011, Counsel corresponded with Kassam noting that significant changes had been made to their website and requesting clarification.
10. Via further emails between Kassam and Counsel on October 19, 2011, Kassam provided the following information on his business set up:

We have set up a phone line which uses an encrypted technology known as Voice Cloud to store voice messages in a text form which gets converted into an email message. These are automatically sent to the owners.

Emails are then forwarded through an online form to respective owners or property managers.

We do use a few 3<sup>rd</sup> Party devices as a way to market the units. I hope this clarifies your questions.

We market through outlets such as Craigslist, Kijiji, and other purpose build domains. A majority of our marketing however is in-house with

search engine optimization.

Our contact information is used as the primary conduit to keep the privacy of the owners. We do not respond to any of these requests, but channel these to the respective owners. They are then able to make the decision to contact the potential clients.

11. Staff concluded that if, as Kassam stated, he was only providing rental property management services for five properties owned by his parents and providing 'marketing services' to the third party owned properties also listed on his website, [www.pacificrimliving.ca](http://www.pacificrimliving.ca), that Kassam would not require a license. Counsel informed Kassam that his website should clearly reflect the activities he described. Kassam agreed and made changes to his website.

### **2012 Complaints**

12. On March 22, 2012, August 10, 2012 and November 29, 2012 Staff received three new complaints about Kassam and PRL conducting unlicensed rental property management services.
13. One complainant stated "Today I received an email from my assistant, in which Kassam falsely claims he is a property manager." The email stated:

Date: Wed, 21 Mar 2012 13:13:09 -0600  
From: [REDACTED]  
To: XXX  
Subject: Re: Inquiry 2 bedroom @Fairmont

Hi XXX,

This unit is on the 27<sup>th</sup> floor with 270 degree views spanning from North

East all the way to North West. It is the most superior unit in the Fairmont Pacific Rim building.

I am the licensed property manager, and the application you sign is a non disclosure statement, and we use the information solely for the purpose of rental. I work exclusively with the Fairmont Pacific Rim building.

We are looking for a minimum 1 year lease.

Thanks,

Khalil

Khalil Kassam, President

14. On March 28, 2012, Staff reviewed the PRL website at [www.pacificrimliving.ca](http://www.pacificrimliving.ca). The 'About' page advertised that "Pacific Rim Living is a high end marketing corporation that focuses on marketing for residential and mixed use properties in Vancouver, British Columbia" and provided the following contact information:

Contact Us

Phone: [REDACTED]

Email: [REDACTED]

Website: <http://www.pacificrimliving.ca>

15. The 'Properties' pages listed three properties for sale and 33 for rent in Vancouver. There were detail pages linked to the listed properties. Detail pages include address, bedrooms, bathrooms, description of property, building amenities, square footage of property, pictures, maps and contact information as:

Phone: [REDACTED]

Email: [REDACTED]

Website: <http://www.pacificrimliving.ca>

16. A review of the same website cached June 10-15, 2013, shows 14 properties for rent and two properties for sale in the same style of listings as found on March 28, 2012.
17. Neither Kassam, nor PRL have owned any property in British Columbia in 2011, 2012, or 2013 to November 20. Kassam's parents' names are registered on the title of only four properties during that time.
18. On August 10, 2012, Staff received another complaint by a mortgage broker whose client complained of the quality of property management services he received from Kassam and PRL.
19. On November 29, 2012 and December 15, 2012 Staff received a complaint from an owner of a unit at Fairmont Pacific Rim Residences ("FPRR") about Kassam and PRL providing rental property management services for himself and another unit owner. FPRR is a strata tower located at 1011 Cordova Street, Vancouver.
20. On February 21, 2013, Staff received from the strata agent for the strata council at FPRR, a set of complaint information from owners at FPRR:
- a) A copy of a February 19, 2013 complaint to the strata council from another owner at FPRR which sets out the following facts:
    - i. I met Kassam in 2011 and verbally agreed to allow him to manage my suite.

- ii. He sourced a tenant for me in April 2012 and charged me a fee of \$4,000 for finding this tenant.
  - iii. The rent asked was \$8,500, but K. Kassam provided me with an amended contract for \$8,000 per month, saying that this new lower rent had been negotiated with the tenant.
  - iv. Subsequently I find out that the unit was in fact rented at \$8,500 per month.
  - v. The tenant paid out four months in advance (May – August) at a rental rate of \$8,500 per month, and K. Kassam retained this money directly for all 4 months. K. Kassam then remitted his company cheques to me monthly in the amount of \$8,000, which is short by \$500 per month which is what the tenant was paying.
- b) A statement from a relocation specialist, to the FPRR strata council dated September 3, 2012. The specialist was unhappy in her dealings with Kassam in the rental of a unit at FPRR and recommended, "I don't know what to recommend – but I will not work with him again. I also suggest he be removed from being any type of property manager in the Residences at the Fairmont."
- c) A statement of October 2, 2012 from a tenant at FPRR. He stated:
- i. I am a tenant in suite XXXX at 1011 W. Cordova. I have been in the suite since May 1, 2011 and will be there till May 1, 2013 and perhaps longer.
  - ii. At the time that I rented the suite, Khalil Kassam offered to rent us two parking spots for \$600 per month.
  - iii. We issued Khalil postdated checks for \$600 for all 24 months of our lease term.
  - iv. This was all fine until March of this year, when my partner XXXX's car was towed from the lot. This threw up the first red flag and upon contacting Khalil, XXXX was told that his spot was no longer available and that he should park in another spot.
  - v. I was parking in a spot on P7 and everything was fine until early June when a note was left on my car asking me to move my car and to no longer park in their spot.

- vi. XXXX brought this up with the residence concierge who got in touch with Khalil and was informed that both XXXX and I should park in two new spots on P6 #250 and #251.
  - vii. Upon my return I was contacted by XXXX of suite XXXX that the two spots that Khalil had rented to us were in fact hers. She asked me to confirm that Khalil had rented them to us and had collected rent on the spots.
- d) Email correspondence from January 24, 2013 to February 19, 2013, between a real estate licensee with Royal LePage, hired to manage unit XXXX, and the strata agent. In this correspondence, the Royal LePage agent states:
- i. The owner did not have the contact information of the previous tenant. The previous rental property manager, who represented himself as an agent of the strata council, did not want to put the owner and the tenant in contact with each other.
  - ii. The owner hired a property manager who represented himself as the sole agent able to rent units in the building. His father and co-owner of that property management company was the president of the strata council.
  - iii. Upon my involvement as the new property manager of this unit, I was informed of some outstanding fines, which were levied against the previous tenant. Upon discussion with the tenant, she informed me that the fines had been paid to the previous property manager. The previous property manager declined receiving these fines until in front of the tenant in a meeting with me; at which point he admitted receiving the fines and consequently advised that he would forward those amounts to the strata corporation.

The Royal LePage agent then confirmed that Kassam was the previous manager being complained about.

- e) Agent Authorization form for unit XXXX, signed by owner XXXX, stating, "I hereby allow, Pacific Rim Group/Khalil Kassam (Agent/Company name), to provide the following agreed services on my behalf." The bottom half of the document has initials next to six of the nine services listed and they are: find tenants, pay fines, give permission for tenants to move out, purchase new fobs, cancel old fobs, and leave key with concierge.
- f) Statement of Deficiencies filed on unit XXXX, 1011 Cordova Street, by Relocation Agent, XXXX, Relocation Specialist for Executive Relocation Services. This statement notes:



Agent for Owners\*  
Khalil Kassam  
President, Pacific Rim Living  
Email: [REDACTED]  
Mobile: [REDACTED]

and goes on to say, "...Deficiencies identified by XXXX on February 26<sup>th</sup> (left condo on March 1<sup>st</sup>) when first picked up keys from Khalil Kassam (agent for owners): ..."

- g) Email from Kassam, President of Pacific Rim Living, sent November 25, 2012, to the Fairmont Concierge stating "I am not the agent for any of these suites. XX09 is XXXX and I'm not managing for her. XXXX has a separate agent (XXXX). XX02 I am not agent for anymore, the contact is XXXX. I don't know XX04. XX03 is XXXX's unit and I don't manage it, however if there is an issue of Form Ks I can get it signed. For XX06, XXXX is the agent/realtor."

This email string leads to another email on November 26, 2012, from the Fairmont Residential Concierge to Kassam including a quote from correspondence dated April 16, 2012, that Kassam forwarded to the concierge stating that he had fobs for units: "XX03, XX01, XX05, XX02, 26XX, 27XX, XX09, 31XX, 32XX, XX03, 33XX, 33XX, 34XX, 36XX, 36XX, 39XX, 39XX, 42XX, 43XX, 44XX, 45XX"

- h) Email from Kassam to Fairmont Residences Concierge, November 30, 2012, saying that he is attaching Form Ks for four units at FPRR. Form Ks are forms under the *Strata Property Act* – Form K Notice of Tenant's Responsibilities, which are provided by strata owners to tenants to notify them that tenants must adhere to the strata bylaws and rules and that tenants may be responsible for fines which may be levied if they disobey the bylaws or rules. The email from Kassam states:

Concierge,

Please find attached form k's that are outstanding. A few notes:  
XXXX – I have signed this on behalf of Mr. & Mrs. XXXX as the authorized agent. Please have Mr. XXXX (the tenant) sign this.

XXXX – I have filled out the information on behalf of Mr. XXXX however he and Mrs. XXXX need to sign this.

XXXX – I have signed this on behalf of the owner and needs to be signed by Mr. XXXX

XXXX – I have signed this on behalf of myself as the tenant and Mr.

XXXX needs to sign this as the owners representative.

I will leave copies of these forms at the concierge later today and request follow up where needed for either tenants to sign or respective owners and their representatives to sign.

I will also have you note that XX07 and XX09 are the only units I am managing to date.

Thanks,  
Khalil

In Kassam's email of November 25 he stated he did not manage unit XX09 yet in the November 30 email he says he does.

- i) List of suites with Form K filing issues that the strata agent for FPRR put together for units which Kassam had dealings with or they thought had dealings with, when trying to sort out who still had to file Form Ks and who they had to contact. Khalil's name is mentioned throughout in regards to whether he is managing the unit or not, whether he filed a Form K, and whether he just found a renter and does not deal with the management of unit, and whether he has any connection at all with a unit. Kassam is noted as being a tenant of one of the units. For one of the units the property manager told the strata agent staff member that Kassam will do the rental agreement and Form K with respect to the unit.
- j) Email dated August 14, 2012, from another owner to the strata agent at FPRR regarding a complaint about his unit FPRR:

The incident you are referring to is extremely disturbing and unacceptable. I have asked my property manager (Khalil Kassam) to contact my tenant (XXXX) immediately and demand full compliance with all bylaws and the tenancy Agreement at all times.

- 21. On March 27, 2013, Staff received a package of documents from the daughter of the owners of a unit at FPRR. The documents are in relation to her parents' dealings with Kassam. The documents included:
  - a) Email, 11:34 am, August 8, 2012, from Kassam to daughter agreeing to forward contracts that he executed with current tenants and prior tenants to property owners for the rental of the parents' unit at FPRR.
  - b) Email, 1:18 pm, August 8, 2012, from Kassam to mother and daughter attaching a bank account statement [REDACTED] to show:

- i. The \$25,975 collected from tenants and deposited into his account.
- ii. The transfer of the \$20,000 rent money to mother's account.
- iii. That he had also collected a damage deposit of \$6,000.

The email goes on to break down expenditures paid on their unit, work that still needed to be done on the unit and notes that Kassam was unable to find the contract electronically and that he would dig it up and scan it to them.

A review of the bank statement provided by Kassam shows 15 deposits of amounts between \$2,000 and \$70,226 from July 9, 2012 to August 7, 2012. One of which is the \$25,975 noted for the rental of the mother's property. The opening balance on July 9, 2012 was \$68,473.72 and the closing balance on August 7, 2012 was \$102,830.86.

- c) Residential Tenancy Agreement between PRL (on behalf of the landlord) and tenants for the rental of the parents' unit at FPRR showing the monthly rent as \$13,000, the security deposit as \$6,500, and the landlord as PRL.
- d) Email, 9:26 am, August 20, 2012, from Kassam to the daughter stating that the contract he drafted for \$13,000 was never executed and that he would return the security deposit to her.

This email string continues with an email, 2:28 pm August 20, 2012, from the daughter to Kassam stating that the tenants have informed the daughter that they did pay \$13,000 a month in rent and a \$6,500 deposit which was wired to Kassam in June.

The daughter alleged that Kassam had failed to provide copies of contracts to the owners because he was collecting more money than he was forwarding to the owners for rent, that he was renting out the parking stalls that came with the owners unit separately and pocketing the money, and that he lied about the unit's rental terms and was collecting rents that were not recorded and/or submitted to the owners.

- e) Email, 4:32 pm August 21, 2012, from Kassam regarding the rental of the parents' unit, noting that he forwarded tenant contact information to the owners by way of an application form, but agrees to resend. Kassam makes comments regarding the use of the parking spots that come with the unit and whether or not they are included in the executed contract (Residential Tenancy Agreement). Kassam stated:

The K defaults into my name or my company at the move out of your last tenant and the XXXX have not legally been registered as tenants since their term is less than the required term enforced by strata.

Kassam stated that all keys and fobs belonging to the suite are in possession of the tenant.

The email thread continues: 10:02 AM August 22, 2012, from Kassam to the daughter, informing her that the \$102,830 she noted in his account, is money belonging to and being held for his clients. Kassam also states that her mother signed an authorization for him to sign on Form Ks.

22. On September 26, 2013, one of the previous complainants provided Staff with a copy of the documents that another owner of a unit at the FPRR filed with the police complaining about Kassam. Included in this package was:
  - a) Statement from the owner which provides:
    - i. He owns unit XXXX at FPRR.
    - ii. He hired Kassam as an agent to assist in finding a tenant to fulfill a long-term lease and to negotiate the terms and agreement with the tenant.
    - iii. Kassam found a tenant and noted that the tenant would only pay \$5,500 a month, not the requested \$6,000.
    - iv. Kassam accepted cheques from the tenant for the first year lease agreement and provided the owner with cheques drawn from his company, PRL.
    - v. After the owner ended his working relationship with Kassam, he found that Kassam had provided the tenant with a lease for \$6,000 a month, while he provided the owner with a lease for \$5,500 a month. Kassam had been collecting an extra \$500 a month from the tenant.
    - vi. There were also discrepancies in the contract regarding the amount of security deposit paid and how many parking spots were included with the rental.
  - b) Statement from the tenant of the complainant's unit at FPRR. He states:

- i. He leased unit XXXX from May 1, 2012, to April 30, 2013, for \$6,000 a month in two separate monthly cheques of \$2,500 and \$3,500 made payable to PRL.
  - ii. He wrote a cheque for \$1,500 and a draft for \$1,500 to PRL for security deposit and pet deposit for the above noted unit.
  - iii. Only one parking stall was included with the lease of this unit and Kassam informed him the owner only purchased one when he purchased the unit.
  - iv. In May 2013, the tenant became aware that the owner owned two parking stalls and that Kassam had been renting the second stall without the knowledge of the owner.
- c) Contract #1, Residential Tenancy Agreement between the tenant and owner, provided to the tenant, for the lease of the unit. The rent in this contract is \$6,000 a month for two years, with a \$3,000 security deposit, and one parking stall. This copy was provided to the tenant by Kassam.
- d) Contract #2, Residential Tenancy Agreement between the tenant and owner for the lease of the unit. The rent in this contract is \$5,500 a month for two years, with a \$2,750 security deposit, and two parking stalls. This copy was provided to the owner by Kassam.
- e) Copy of cheques written to PRL from the tenant or his corporate entity for the lease of the unit. Cheques were deposited to [REDACTED]:
- i. Cheque for \$1,500 for damage deposit dated April 15, 2012. (personal cheque)
  - ii. Cheque for \$3,500 for rent dated April 1, 2013. (company cheque)
  - iii. Cheque for \$2,500 for rent dated April 1, 2013. (personal cheque)
  - iv. Cheque for \$1,500 for one half of the security deposit dated April 30, 2012. (personal cheque)
- f) Statement from the Head Concierge at the FPRR dated May 30, 2013, stating:
- i. He is Head Concierge of FPRR.
  - ii. To his knowledge, Kassam rented out one of the parking stalls assigned to the unit, without permission of the owner.

- iii. The complainant is the owner of the unit and the unit includes assignments for parking stall numbers XX & XX.
  - iv. Kassam was the agent for the owner of the unit.
  - v. It is his understanding that Kassam provided the owner with a contract that stated the tenant would have both of these parking stalls, but only granted the tenant one parking stall.
  - vi. Kassam rented out the other parking stall and collected \$300 per month since May 2012 and did not provide these proceeds to the owner.
23. On September 24, 2013, Staff received an email from the strata agent attaching Form Ks from their 2011, 2012, and 2013 files showing Kassam signing as the Agent for 21 suites.
24. The land title records show that Kassam did not own any of the suites noted in the signed Form Ks.
25. On October 3, 2013, the strata agent forwarded copies to Staff of two Agent Authorization forms giving Kassam the right to conduct certain activities on behalf of the owner for suits XX09 and XX07. The activities are finding tenants, paying fines, paying strata fees, giving permission for tenants to move out, cancelling fobs, changing keys, accepting mail, and leaving key with the concierge.
- Included was an email string ranging from August 13, 2012, to September 5, 2012, between Kassam and a prospective tenant regarding:
- a) Seeing multiple rental suites in different buildings.
  - b) Rental application submitted to Kassam and accepted by Kassam.
  - c) Booking elevators for move in September 1, 2012.
  - d) Kassam informing the prospective tenant on September 1, 2012, that he could not move in until the 14<sup>th</sup> or 15<sup>th</sup> of the month.
  - e) Kassam informing the prospective tenant that the deposit paid was non-refundable.
26. There have been two civil claims filed against Kassam and PRL in the last two years with respect to his rental property management services.
- a) Notice of Claim filed May 3, 2012, in Vancouver Small Claims Court File 1239743 which alleged in part:

- i. On or about March 4, 2012, the claimant contacted Kassam regarding an apartment at FPRR that was listed for rent on Kassam's website located at [www.pacificrimliving.ca](http://www.pacificrimliving.ca).
- ii. Kassam represented to the claimant that he was the property rental agent for the owner of the apartment.
- iii. Kassam represented to the claimant that the actual licensed property rental agent for the owner was an employee of Kassam's.
- iv. Kassam represented to the claimant that if she wished to lease the apartment the monthly rent was \$10,000 and that a deposit of \$20,000 was required.
- v. Kassam further represented to the claimant that the \$20,000 deposit consisted of:
  - a) The standard security deposit of \$5,000, being a half month's rent.
  - b) A half-month's rent of \$5,000 for the second half of April 2012.
  - c) The first full month's rent of \$10,000 for May 2012.
- vi. The claimant relied upon Kassam's representations and was induced by them to transfer a deposit of \$20,000 to the bank account of Kassam.
- vii. On or about March 6, 2012, the claimant signed a Residential Tenancy Agreement provided to her by Kassam after negotiations with Kassam about terms.
- viii. A licensee advised the claimant that she was the property rental agent for the owner, that Kassam was merely a finder. The licensee said the owners believed the claimants were paying \$9,000 a month rent and that the owner had a copy of the Residential Tenancy Agreement signed by the owner showing \$9,000 rent and a \$4,500 security deposit.
- ix. The deposit was provided to Kassam by the claimant only on the basis of his representation that a \$20,000 deposit was required to secure a lease on the apartment and that the deposit would go towards the security deposit and rent.

- x. The only deposit that the licensee required for the apartment was the \$4,500 for the security deposit that was transferred to her by Kassam. Kassam has retained the remaining \$15,500 balance of the deposit.
- xi. The signature of the owner on the agreement that the licensee and owners had is not the same signature as that on the agreement which Kassam negotiated with and executed with the claimant.

A default judgment for \$15,761 was issued by the court against Kassam carrying on business as Pacific Rim Living on October 2, 2012.

- b) Notice of Claim filed August 29, 2013, in Vancouver Small Claims Court File 1345597, stating:
  - i. Kassam was introduced to the claimant through a family friend and he hired him as his rental agent in July 2012 to rent out his condo in Vancouver at XXXX – 1211 Melville St., Vancouver, BC.
  - ii. Kassam found a tenant at \$3,500 a month starting November 1, 2012, for a one year lease.
  - iii. Kassam received cheques for the security deposit of \$1,750 and the first month's rent of \$3,500 from the tenants after signing the lease agreement.
  - iv. Kassam cashed both cheques and has not paid him any of the money, or provided him with a copy of the lease.

- 27. There is a PRL LinkedIn account listing as of December 12, 2013. The listing states:

Pacific Rim Living is a high end real estate corporation that specializes in property management and rental services in the Downtown Vancouver area. Our services include rental marketing optimization online and offline, property management, interior design and risk reduction.

We believe in true luxury- each of our properties have been verified to ensure the highest standard of living.

Visit us at [www.pacificrimliving.ca](http://www.pacificrimliving.ca) for more information.

**Specialties**

Property Management, Rental Services, Property Furnishing, Interior Design, Rental Marketing, Risk Reduction”



28. On October 8, 2013, Staff contacted Kassam and informed him that Staff had received new complaints against himself and PRL alleging activity that would require a license under *RESA*. Staff requested a meeting with Kassam and it was agreed that he would come to the offices of the Superintendent of Real Estate on October 15<sup>th</sup>, 2013.
29. On October 11, 2013, Kassam notified Staff that he would be out of town on the arranged date and requested to meet the following week. On this same day, Staff sent a response to Kassam agreeing and providing a new time for the following week of October 22, 2013. Kassam was also offered to reply with a different time Monday to Friday 8:30 am to 4:30 pm. No response was received.
30. On October 17, 2013, Staff sent another email to Kassam attaching the original response that offered the October 22, 2013 date and requested a response from Kassam.
31. On October 28, and November 5 2013, Staff called Kassam at [REDACTED] and received his answering machine. Staff left a message with contact name and title and direct line number requesting a return call.
32. On November 7, 2013, a registered letter was sent to Kassam providing him with another opportunity to contact Staff and notifying him that if Staff did not hear from him by November 18, 2013, the Superintendent might proceed without his information. A copy of this same letter was sent by regular mail on November 11, 2013.
33. No response or meeting has been made by Kassam to date.

AND WHEREAS I find that:

34. Neither Kassam, nor Kassam doing business as PRL, are licensed under *RESA* to provide real estate services within the province of British Columbia. A license is required pursuant to section 3 of *RESA* for a person to provide real estate services to or on behalf of another.
35. "Real estate services" under *RESA* includes rental property management services and holding out as a licensee under the *RESA*.
36. The statements of the various property owners and family members, tenants, licensees and other service providers set forth above are consistent with each other and consistent with the documentation which has been obtained in this investigation. Kassam had the opportunity to respond to complaints that he was providing real estate services which required licensing but declined to cooperate or provide his version of events.

37. The statements as to the services and fees Kassam received as set forth above are true. Numerous people have paid Kassam fees for the provision of real estate services in relation to the rental of real estate. Kassam has also received compensation in relation to real estate services unbeknownst to some owners.
38. Kassam and PRL are actively engaged in providing rental property management services, to or on behalf of others, for or in expectation of remuneration.
39. Kassam has been previously warned about the requirements of *RESA* and has indicated to Staff in the past that he would conduct his business in a manner which is compliant with *RESA*. Despite that assurance, he has continued to provide rental property management services, without being licensed.
40. Following the investigation of complaints received in 2011, Kassam advised Staff in 2011 that he only provided property management services for properties which his parents owned, and PRL only operated a listing website.
41. Despite that assurance, further complaints were received in 2012 and the subsequent investigation shows that Kassam and PRL provided rental property management services to numerous clients, many of whom are owners in the FPRR in Vancouver. As set out in the factual findings above, Kassam and PRL have engaged in the provision of rental property management services, including trading services in relation to the rental of real estate, as that term is defined in *RESA*, through the following conduct:
  - a) Making representations about the real estate by taking calls from tenants and answering questions regarding the properties.
  - b) Finding a party to rent properties that neither Kassam nor PRL owned by taking applications and qualifying tenants.
  - c) Showing the real estate to prospective tenants with access provided to him from the property owners for this purpose.
  - d) Negotiating the price of the real estate or the terms of the trade in real estate by changing the cost of rental to tenants, as well as parking options.
  - e) Collecting rents or security deposits for the use of the real estate.
  - f) Managing the real estate on behalf of the owner by:
    - i. Making payments to third parties.
    - ii. Negotiating or entering into contracts with tenants.

- iii. Managing landlord and tenant matters by showing rental property, taking and completing applications for rent, completing Form Ks and Residential Tenancy Agreements, making payments to third parties, handling landlord/tenant matters including strata council complaints, tenant conduct issues, supervising contractors hired with respect to the rental property.
  - g) Holding out as providing property management services in correspondence and the PRL listing on LinkedIn.
42. Neither Kassam, nor Kassam doing business as PRL is exempt from the requirement to be licensed by subsection 3(3) of the *RESA*, nor are either exempt from the requirement to be licensed by the *Real Estate Services Regulation*.
43. Kassam, and Kassam doing business as PRL are engaging in real estate services for which a license under *RESA* is required, although neither has the required license.
44. Kassam and Pacific Rim Living used a [REDACTED] banking account to conduct his business, which included receiving rent and deposit cheques from tenants on behalf of owners.

I THEREFORE determine that Kassam, and Kassam doing business as PRL are conducting unlicensed real estate services under *RESA*.

I AGREE with Staff that a hearing would require at least six witnesses, if not more. Staff estimates a hearing would take at least three days and I think that is optimistic. But in any event as Staff points out, due to scheduling of parties, witnesses, counsel and the hearing officer, a hearing is not likely to be able to take place until the spring of 2014.

I FIND that the length of time that would be required to hold a hearing in order to make an order under section 49 of *RESA* would be detrimental to the due administration of *RESA* given that it would likely result in further non-compliance with the provisions of *RESA*. Of particular concern is the past history of complaints, warning, and assurance from Kassam himself. In spite of that history, and in spite of the assurance provided to Staff, Kassam, and Kassam doing business as Pacific Rim Living have pursued the provision of rental property management services for a fee, which appears to be ongoing based on the complaint information and the current LinkedIn listing as of December 12, 2013.

Furthermore, serious concerns have been raised by property owners, tenants, and licensees about the services Kassam and Pacific Rim Living have provided including the following: failure to forward rent and deposits to landlords, failure to return a damage deposit, creating fraudulent rental agreements, renting out property under

terms for which they were not authorized, and deceiving owners about the terms of their tenancy agreements.

Since Kassam and Pacific Rim Living are not licensed, their clients do not have the benefit of the regulatory scheme over which the Real Estate Council presides, licensee mandatory indemnification insurance, or of the real estate special compensation fund which is administered under *RESA*. Continued non-compliance would harm the integrity of the licensed British Columbia real estate services industry, harm the interests of consumers, and would be detrimental to the public interest.

I AM OF THE OPINION that it is in the public interest to make summary orders under sections 46 and 51 of *RESA* so that the public is protected against further non-compliance with *RESA* and to preserve the interests of current landlords and tenants who are dealing with Kassam and Pacific Rim Living.

I THEREFORE ORDER pursuant to subsections 46(1) and (3) of *RESA* as follows:

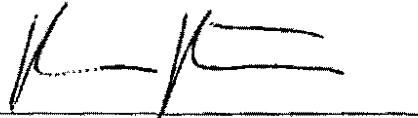
1. That [REDACTED] hold for safekeeping all property of Khalil Altaf Kassam and Pacific Rim Living on deposit or otherwise held under [REDACTED] control, including in account no. [REDACTED] until otherwise notified by an order pursuant to section 45(5) or 45(8) of *RESA*.

I FURTHER ORDER pursuant to sections 51(2) (a) and 49(2) (a) of *RESA* as follows:

2. That Khalil Kassam, and Khalil Kassam doing business as Pacific Rim Living cease conducting, directly or indirectly, real estate services, including rental property management services, in British Columbia, effective immediately, unless and until they become licensed to do so under the provisions of the *Real Estate Services Act*.

TAKE NOTICE that Khalil Altaf Kassam and Khalil Altaf Kassam doing business as Pacific Rim Living, may require a hearing before the Superintendent under sections 51(3) and 45(6) of *RESA* or appeal these orders to the Financial Services Tribunal under section 54(1)(e) of *RESA*.

Dated at the City of Vancouver,  
Province of British Columbia  
this 13 day of December, 2013.



Chris Carter  
Acting Superintendent of Real Estate  
Province of British Columbia

TO: Khalil Altaf Kassam

[REDACTED]

Pacific Rim Living

[REDACTED]

and

[REDACTED]

[REDACTED]

Real Estate Council of British Columbia  
900 - 750 West Pender Street  
Vancouver, BC V6C 2T8

**Real Estate Services Act, [SBC 2004] Chapter 42**

**Orders to freeze property**

**46** (1) If it considers this to be in the public interest, a discipline committee may make an order under this section at the same time that, or at any time after, an order under section 43 [discipline orders] or 45 [orders in urgent circumstances] is made against a licensee.

(2) If subsection (1) applies, the discipline committee may, by order directed to the licensee, do either or both of the following:

(a) prohibit the licensee from withdrawing any of the licensee's property, or any of it identified in the order, from the possession of another person named in the order who has the property on deposit, under control or for safekeeping;

(b) require the licensee to hold all property, or any of it identified in the order, that is in the licensee's possession or control in trust for

(i) a receiver or receiver manager who has been appointed, or whose appointment has been or is to be applied for, under section 59 [court order for appointment of receiver], or

(ii) a custodian, trustee, receiver manager, receiver or liquidator who has been appointed, or whose appointment has been applied for, under any other enactment.

(3) If subsection (1) applies, the discipline committee may, by order, require a person having in British Columbia, on deposit, under control or for safekeeping, any property of the licensee to hold all of that property, or any of it identified in the order.

(4) An order under this section may be made without advance notice to a person affected by the order but, promptly after making the order, the discipline committee must give a copy of the order to the person to whom it is directed.

(5) A discipline committee may, by order, vary or rescind an order under this section on its own initiative or on the application of a person affected by the order.

(6) Property affected by an order under this section continues to be affected by the order and remains frozen as provided in the order until the property is released under subsection (5) or is dealt with in accordance with a court order.

(7) If a savings institution is the holder of property described in subsection (3), the order applies only to the offices, branches or agencies of the savings institution that are specified in the order.

(8) If

(a) a person to whom an order under subsection (3) is directed is uncertain respecting the application of the order to any property, or

(b) a claim is made to the property by a person not named in the order,

the person may, on giving notice to the real estate council, apply to the Supreme Court for an order under subsection (9).

(9) On an application under subsection (8), the court may order the disposition of the property as it considers appropriate.