



## Notice of Administrative Penalty and Reasons for Decision

File # [REDACTED]  
October 7, 2025

Elite Property Group Ltd.  
Yu Song (David Song)



**Via Registered Mail and Secure File Transfer Email**

To: Elite Property Group Ltd and Yu Song (aka. David Song)

Full Summary of Administrative Penalty

**Name of Respondents:** Yu Song also known as David Song ([REDACTED])

**Rental Address:** [REDACTED]

**Date of Penalty Issued:** October 7, 2025

**Failure to comply under the *Residential Tenancy Act* (the Act):** Section 87.2 Production of Records

**Outcome of the Investigation:** A one-time administrative penalty in the amount of \$2,400.00.

The Compliance and Enforcement Unit (the “CEU”) received a complaint on March 2, 2023, alleging that Elite Property Group Ltd and Yu Song, also known as David Song (the “Respondents”) may have created a “sublease agreement” that does not comply with the Act. The Investigator formed a concern that the Respondents may be using a sublease agreement with tenants at the rental property which appeared to have included terms to avoid or contract outside the Act with respect to how a tenancy can end (section 44 of the Act) and rent increases (section 41 of the Act). An investigation commenced in accordance with section 87.1 of the Act, and a Notice of Investigation was issued on September 10, 2024.

On September 12, 2024, pursuant to section 87.2 of the Act and in accordance with their delegated authority, Senior Investigator J.S. (the “Investigator”) issued the Respondents a Demand for Production of Records. On January 14, 2025, the deadline for submissions was extended to January 31, 2025. On February 5, 2025, the Investigator formed a concern that the Respondents may not have complied with the September 12, 2024, Demand. On February 17, 2025, I was provided with an Investigation Report with all evidence gathered and a recommendation for an administrative monetary penalty (AMPs).

The Respondents were provided with an Opportunity to be Heard on February 20, 2025, in accordance with section 87.3(2) of the Act. Administrative Penalties are issued to promote compliance only after all other attempts to gain compliance have failed. The Respondent’s compliance history and the seriousness of the failure to comply was considered when determining a one-time or continuing penalty.

Under the authority provided by Part 5.1 of the Act, the Case Manager, Compliance and Enforcement ordered a one-time administrative penalty on October 7, 2025, against Yu Song, also known as David Song (Song).

The administrative penalty is due on December 8, 2025.

Ministry of Housing and  
Municipal Affairs

Residential Tenancy Branch –  
Compliance and Enforcement Unit

Mailing Address:  
PO Box 9298 Stn Prov Govt  
Victoria B.C. V8W 9J8  
[www.gov.bc.ca/landlordtenant](http://www.gov.bc.ca/landlordtenant)

Public Information Lines:  
604-660-1020  
250-387-1602  
1-800-665-8779

**Contravention or failure to which the penalty relates and applicable sections of the Act:**

Production of records

87.2 (1) The director may require a person to provide to the director, within a reasonable time, all records in the person's possession or control related in any way to an investigation.

(2) A person required under subsection (1) to provide records must comply with the requirement

Administrative penalties

87.3 (1) Subject to the regulations, the director may order a person to pay a monetary penalty if the director is satisfied on a balance of probabilities that the person has

(a) contravened a provision of this Act or the regulations,

(b) failed to comply with a decision or order of the director, or a demand issued by the director for production of records, or

(c) given false or misleading information in a dispute resolution proceeding or an investigation.

**Background:**

On February 17, 2025, I was provided with an Investigation Report from the Investigator which included all evidence gathered during the investigation, analysis of the evidence and a recommendation for an administrative monetary penalty (the "Investigation Report"). Based on my review of this report and all supporting materials, I will summarize the background events to provide context leading up to the commencement of the CEU investigation related to this decision.

On March 2, 2023, the Investigator contacted Song by phone ( [REDACTED] ) to discuss a matter related to an initial CEU investigation ( [REDACTED] ) that centered on allegations of repair and maintenance issues at the rental property where he was identified as the landlord. This phone call centered primarily on an investigation that is not central to the matter before me now; therefore, I will only provide relevant details of this call for the purpose of providing context to how the second investigation was commenced and is related to the matter before me now.

During this conversation Song stated that he was the landlord of the rental property which contained several rental units. Song stated that he rented the "whole house" from the owners and in turn, he "sublets" the place out to other people, with the owner's permission, calling it "his business model".

Song confirmed that he had a copy of the tenancy agreement with the owners. When the Investigator asked if he was a licensed property manager, Song responded that he has a "brokerage license" and that he works for a company out of Alberta called Elite Properties Ltd and that he also works for Menethil Properties Ltd.

Song also confirmed his email address to be [REDACTED] and that he would send the Investigator a copy of his tenancy agreement with the owners. I note that one was included in the Investigation Report.

Based on the March 2, 2023, conversation, the Investigator formed a concern that the Respondents may be attempting to avoid or contract outside the Act by using a "sublease" tenancy scheme not permitted

by the Act to avoid how a tenancy can end and rent increases in BC. As a result, the Investigator created a second CEU case file to address these new allegations ([REDACTED]).

According to the Alberta Corporate Registry the sole Director of Elite Property Group Ltd was Song since its inception on March 15, 2023.

The BC Assessment Authority identified this rental property as a “Residential Dwelling with Suite”. The tenancy agreement with the Respondents and the owner indicated there were two rental units and a garage included in the tenancy. On March 2, 2023, Song stated that he sublets the whole house, which indicated that the Respondents rented out unit 1 and unit 2 at the rental property.

Based on the call with Song on December 15, 2023, the tenancy related to the first investigation had ended with an order of possession from the RTB. The Investigator obtained evidence of an RTB decision from the RTB’s digital case management system (DMS) which supported this claim. However, Song also stated during this conversation that he moved new tenants into this rental unit after these tenants were vacated. The Investigator indicated that this could mean the Respondents entered into a new “subtenancy” agreement with new tenants which may be evidence of an ongoing attempt to contract outside the Act.

At this juncture, the Investigator paused the investigation related to these new concerns to focus on more urgent case files until September 2024.

On September 10, 2024, a Notice of Investigation was sent to the Respondents by email and the property owner by registered mail (the “September 10, 2024, NOI”). This notice outlined the allegations resulting from the March 2, 2023, phone conversation with the Investigator, and it provided education around BC tenancy laws along with information about the consequences of noncompliance. The property owner received the September 10, 2024, NOI by registered mail while it was emailed to the Respondents. Song did not reply to this email.

In accordance with the *Freedom of Information and Protection of Privacy Act* (FOIPPA) the Investigator obtained contact information for Song from the Insurance Corporation of British Columbia (ICBC): [REDACTED]

[REDACTED] ICBC also confirmed that Song’s BC Driver’s License (BCDL) was surrendered to Alberta on April 25, 2022.

On September 12, 2024, the Investigator issued a demand for production of records (the “Demand”), as permitted by section 87.2 of the Act, and sent both the September 10, 2024, NOI and the Demand to the Respondents by email and registered mail to the Calgary AB address. The Demand required the Respondents to produce the following:

1. *A copy of document indicating the address for service that you reside or at which you carry on business as a landlord; (Demand Item #1)*
2. *A copy of all tenancy agreements with the subtenants, including all new tenancies for the rental property since January 2022 (Demand Item #2)*
3. *A copy of all tenancy agreements with the landlord as the original tenant for the rental property since January 2022 (Demand Item #3).*

I note the September 10, 2024, NOI and the Demand both incorrectly identified the email address as going to a "Gmail" account instead of "Hotmail". However, evidence included in the Investigation Report shows that both were sent and successfully delivered to the correct email address provided by Song on March 2, 2023 [REDACTED].

The Respondents did not reply to the email and the Demand was returned to sender on October 10, 2024, while the September 10, 2024, NOI was returned to sender on October 16, 2024. According to Canada Post tracking information, in both cases, the mail was re-directed to a new address (not provided by Canada Post) during transit and then returned to sender when an error was found with the customer address. At this point the Respondents' address for service was unclear and the Respondents had not communicated with the CEU with the email address provided on March 2, 2023.

The Investigator noted that the investigation was delayed again at this juncture after being assigned more urgent case files.

The Investigator contacted the Special Investigations Unit with Service Alberta and Red Tape Reduction (Alberta SIU) and submitted a Service Alberta Special Investigations Unit Law Enforcement and Public Body Request Form. On November 20, 2024, Alberta SIU confirmed they had the same Calgary AB address on file that ICBC had on record. The Investigator was unable to determine an address of service, and it caused a delay in serving the Demand.

On December 23, 2024, Song provided his contact information as agent for a landlord in BC to the RTB in an application for dispute resolution services (DRS): [REDACTED] and [REDACTED] [REDACTED] (the Kelowna BC address).

Evidence obtained by the Investigator from DMS indicated that Song received the notification for the date and time of the scheduled RTB hearing on January 11, 2025, by email and that he attended the DRS hearing when scheduled. In addition, Song was subsequently sent the RTB decision via email. I note that this application for DRS was not related to the rental property itself, but I do find this information relevant to the matter at hand because it points to current contact information provided by Song to the RTB.

On January 14, 2025, and in accordance with FOIPPA the British Columbia Financial Services Authority (BCFSA) provided Song's contact information on record as being his "Brokerage Address" Menethil Properties Ltd and it matched the Kelowna BC address Song provided to the RTB on December 23, 2024.

On January 14, 2025, the Investigator served the Demand (with the September 10, 2024 NOI attached) to the Respondents by email [REDACTED] using the BC Secure File Transfer System (SFTS) and by registered mail to the Calgary AB address and the Kelowna BC address.

The Investigator included a letter explaining that the due date for the Demand had been extended to January 31, 2025.

Evidence obtained by the Investigator from the SFTS tracking system shows that the Demand letter was "viewed" by [REDACTED] on January 14, 2025, at 4:40pm and according to Canada Post's online tracking system, the Demand was successfully delivered, with signature, to the Kelowna BC address on January 17, 2025.

On January 23, 2025, the Investigator returned Song's call, and he confirmed the Kelowna BC address as his correct mailing address and that he did receive the September 10, 2024, NOI and the Demand. Song inquired as to the nature of this investigation and when the Investigator advised him that it centered around a concern with a possible "subleasing business model" and referred Song to the September 10, 2024, NOI for details.

Song indicated that he did not mean to claim that his "business model" involved "subleases" and that there was a miscommunication due to his English not being strong. The Investigator advised Song that the records being sought by the Demand were to help determine the veracity of the allegation.

The Investigator further advised Song that if he did not have any of the records required by the Demand, to provide a written submission as to what records if any were unavailable, otherwise he would be required to provide them by the deadline, or he may be subject to administrative penalties for failing to comply with a demand for records. Song stated that he understood the requirements.

#### **The CEU Investigation:**

On February 5, 2025, the Investigator formed a concern that the Respondents may have deliberately failed to comply with the Demand. For administrative purposes and file organization, the Investigator opened a new CEU file related to this new allegation ( [REDACTED] ).

On February 17, 2025, I was provided with the Investigation Report and evidence, including the above-mentioned tenancy agreements, statements and corporate registry documents, which led the Investigator to form a concern that the records sought in the Demand were in the Respondent's possession and control and would afford evidence relevant to the investigation that had been commenced.

The Investigator explained why the Demand was significant to the investigation and stated that these records would:

- Help establish whether Song, as sole director of Elite Property Group Ltd., may have been acting as a landlord under the Act;
- verify the nature of any potential sublease arrangements related to the rental property; and
- determine ongoing potential rental activity at the property after June 2023, including whether new tenants had entered into similar tenancy agreement as the one with the previous tenants in Unit 1.

#### Demand Item #1

The Investigator stated that with respect to Demand Item #1, Song provided his address to the RTB on December 23, 2024, to which he confirmed again during their phone call on January 23, 2025. The Investigator therefore considered this requirement of the Demand to be met although he never directly responded to the Demand.

#### Demand Items #2 and #3

The Investigator referred to Song's statements on December 23, 2024, and January 23, 2025, and that where he did not indicate that he was no longer associated with the rental property and during the last phone call, Song stated that he understood the requirements of the Demand. In the Demand, the

Investigator advised the Respondents that *"If you do not have one or more of the records listed above in their possession or control, please notify me as soon as possible"*. Again, on January 23, 2025, the Investigator advised Song that if he did not have any of these records, to let her know.

The Investigator pointed to section 13(3) of the Act which requires landlords to provide tenants with a copy of the written tenancy agreement within 21 days of its execution and suggested that based on this requirement, it would be reasonable to believe that the Respondents would have a written tenancy agreement to submit in response to the Demand.

The Investigator also pointed to evidence that Song was a licensed professional in under the *Real Estate Services Act (RESA)* with his company Menethill Properties Ltd for "trading and residential property management" in BC.

The Investigator stated in the Investigation Report:

The RESA states that *"residential 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;*

*Specifically, as a licensed representative, SONG is licensed to manage landlord and tenant matters. To be granted the license under the RESA, SONG was required to have met the qualifications of good reputation and education requirement under section 10 of the RESA.*

I note that RESA includes the following requirement:

***English language proficiency requirement***

***7 (1) In addition to any other requirements set out in section 10 [qualifications for obtaining licence] of the Act and established by these rules, an applicant for a new licence who is an individual must achieve a level 7 or higher on each of the parts applicable to reading, writing, speaking and listening, as tested by the Canadian English Language Proficiency Index Program — General Test.***

*(2) An applicant is deemed to have satisfied the requirement to demonstrate English language proficiency under subsection (1) if the applicant*

- (a) has graduated with a bachelor's degree or higher from a degree program at an accredited university, college or technical institute where English is the primary language of instruction, or*
- (b) has been licensed to engage in real estate services in another Canadian jurisdiction with an English language proficiency requirement after satisfying that jurisdiction's requirement for English language proficiency.*

The Investigator also included evidence that Song and his company Menethill Properties Ltd were the subject of a BCFSAs AMP on August 26, 2022, for failing to comply with a requirement to provide a response to an audit report by providing a range of financial records. On September 7, 2023, the BCFSAs rendered another decision to levy an AMP against Song and Menethill Properties Ltd in what was described in the decision as “serious misconduct” and “It points to what it describes as extensive and persistent non-compliance with the regulatory scheme on the part of Mr. Song”. This decision centered around Song’s failure to provide records for 6 months after the initial demand and included an order that Song’s managing broker license be cancelled.

On February 10, 2025, the BCFSAs issued a “REASONS FOR ORDER IN URGENT CIRCUMSTANCES” related to Menethill Properties Ltd and a third-party person who was the current managing broker for Menethill Properties Ltd. Song as the sole director of Menethill Properties Ltd also responded to the matter by making submissions and attending the BCFSAs hearing. This proceeding ended with the BCFSAs ordering the suspension the third-party persons license until a disciplinary hearing could be held to decide whether to vary or rescind this order.

The Investigator stated in in the Investigation Report when concluding the analysis of the evidence:

*Based on the collected evidence, SONG not only has experience with RTB and CEU from previous investigations but is also a licensed professional who is required to know and have the professional training to act on behalf of the landlord in tenancy matters. Therefore, the Investigator has formed the opinion that Song’s failure to comply with the Demand was a deliberate attempt to avoid his obligations under section 87.2 of the Act.*

**Opportunity to be Heard (OTBH):**

On February 20, 2025, the OTBH letter which included the Investigation Report and all evidence gathered during the investigation (the “OTBH package”) was sent to Song by email, through the BC Secure File Transfer System (SFTS), using the same email that Song provided to the RTB and CEU and it was sent by registered mail to the Kelowna address through Purolator.

I have been informed by the Investigator that based on the SFTS tracking system that Song did not “view” the OTBH; However, the OTBH package was successfully delivered to Song at the Kelowna address, with signature obtained, on February 21, 2025.

I am satisfied Song was properly served with the OTBH package by registered mail on February 21, 2025, in accordance with section 88(c) and 90(a) of the Act.

**Response to OTBH:**

As of the date of this decision, I have not received any submissions or correspondence from Song or Elite Properties Ltd. Further, I have been informed by the Investigator that Song has not contacted the CEU since last speaking with the Investigator on January 23, 2025.

As outlined in my OTBH letter dated February 20, 2025, and in the absence of a response, I have proceeded on the understanding that Song waived their right to be heard. Pursuant to section 34 of the Residential Tenancy Regulation (the “Regulation”), I will now consider whether Song deliberately

failed to comply with the Demand issued under section 87.2 of the Act and if so, an AMP should be imposed pursuant to section 87.3(b) of the Act.

**Reasons for decision:**

I base my findings on this matter solely on the Investigation Report and supporting materials provided to me by the Investigator on February 17, 2025, all of which were included in the OTBH disclosure package to Song, in making my final decision.

Preliminary Matters:

I note that the veracity of the allegations that led to the second investigation—and which ultimately resulted in the issuance of the Demand—is outside the scope of the matter currently before me. I have not been provided with an investigation report or any recommendations related to the second investigation, and therefore I make no findings on the underlying allegations at this time.

Should the director receive an investigation report with recommendations for an AMP arising from the second investigation, the respondent would be provided an opportunity to be heard, before any final decision is made.

I have decided to no longer consider Elite Properties Ltd as a separate party for the purposes of this administrative monetary penalty. Based on the evidence, Song is the sole director of Elite Properties Ltd and has been since its incorporation. He was the individual who engaged with the CEU, received and acknowledged the Demand, and was responsible for responding to it.

Given that Song is the only person associated with the corporation and acted on its behalf throughout the investigation, it is reasonable to conclude that Song and the corporation are functionally indistinguishable in this context. Therefore, Song is the appropriate party to be held accountable for the failure to comply with the Demand.

AMP Decision:

Section 87.1 of the Act authorizes the director to conduct investigations to ensure compliance with the Act and Regulation. Section 87.2(1) of the Act stipulates that the director may require a person to provide the director, within a reasonable time, all records in the person's possession or control related in any way to an investigation.

Based on my review of the evidence before me, I have considered the specific circumstances of this case, including whether the records sought under Demand Items #2 and #3 constitute key evidence, whether the Demand was properly served in accordance with the Act, and whether the records were more likely than not within Song's possession and control.

If these conditions are met, the next consideration is whether Song provided a legitimate explanation for his failure to produce the requested records. In the absence of such an explanation and given that Song was afforded a reasonable opportunity to respond, request an extension, or otherwise engage with the process after being served, I will consider whether it is appropriate to draw an adverse inference from his failure to comply.

Were the records sought key evidence?

I agree with the Investigator's assessment that the records sought under Demand Items #2 and #3 were key to the second investigation. These records were directly relevant to determining whether Song, as the sole director of Elite Property Group Ltd., may have been acting as a landlord under the Act. Specifically, the records could have clarified the nature of any sublease or tenancy arrangements related to the rental property and helped establish whether rental activity continued at the property after June 2023.

In particular, the records were material to assess whether new tenants had entered into agreements similar to those previously established with the occupants of Unit A. This information would have been central to understanding the scope and continuity of rental operations, and whether Song's conduct fell within the definition of a landlord under the Act.

Given the potential of these records to substantiate or refute key elements of the investigation, I find that they were not merely ancillary but essential to the fact-finding process. Their absence limited the ability to fully assess compliance and enforcement issues. As such, I conclude that the records sought were key evidence in the context of the second investigation.

Was the Demand served in accordance with the Act?

I find that the Investigator appropriately exercised their delegated authority under section 9.1 of the Act and issued the Demand in accordance with section 87.2(1) of the Act.

Section 88(c) of the Act provides that a record required or permitted under the Act to be given or served on a person may be served by sending a copy by ordinary or registered mail to the address at which the person resides or, if the person is a landlord, to the address at which the person carries on business as a landlord. Section 90(a) further stipulates that a record served by mail is deemed to be received on the fifth day after it is mailed, unless earlier received.

I have considered section 89 of the Act, which outlines special rules for certain records, and find that the Demand does not fall within that category. Therefore, the general service provisions under sections 88 and 90 apply.

In this case, the Demand was sent by registered mail (Purolator) on January 14, 2025. Online tracking confirmed that Song received the Demand on January 17, 2025. This is consistent with the deemed receipt provisions under section 90(a). Furthermore, Song verbally confirmed receipt of the Demand during a phone call with the Investigator on January 23, 2025.

The Demand clearly stated that if Song did not have one or more of the requested records in his possession or control, he was to notify the Investigator as soon as possible. This instruction was reiterated during the January 23, 2025, phone call. Despite this, Song did not provide any written explanation, request an extension, or otherwise respond to the Demand by the January 31, 2025, deadline.

Accordingly, I find that the Demand was properly served in accordance with sections 88(c) and 90 of the Act. Song was afforded a reasonable opportunity to comply or explain his non-compliance, and he failed to do so.

Were the records being sought likely in the possession and control of Song?

On March 2, 2023, Song advised the Investigator that he was employed by Elite Properties Ltd., of which he is the sole director. He described his business model as renting properties from owners and subletting them to others. In support of this, Song submitted a primary tenancy agreement indicating that the Respondents rented the entire house, which included two rental units and a garage.

The Investigator was unable to identify or contact the tenants directly, who may have otherwise been able to provide the records sought under Demand Item #2. As such, Song was the only known and reasonably accessible source of these records.

The Investigator provided evidence of one subtenancy agreement signed on January 30, 2022, between the Respondents and subtenants. On December 15, 2023, Song stated that these tenants had moved out and that new tenants had moved into the unit. RTB dispute records confirm that the previous tenants vacated the property around June 2023. Although the status of the second unit was not explicitly discussed, Song confirmed on March 2, 2023, that he rented the “whole house” and did not later indicate any change in that arrangement.

Under section 1 of the Act, a “tenancy agreement” includes written, oral, express, or implied agreements between a landlord and tenant respecting possession of a rental unit.

Section 13(3) of the Act requires landlords to provide tenants with a copy of the tenancy agreement within 21 days of entering into it. While the Act does not explicitly require landlords to retain a copy, it is standard practice in professional property management to do so, particularly for enforceability and recordkeeping purposes.

Song demonstrated familiarity with these practices by providing the primary tenancy agreement between himself and the property owners and he signed one with the previous “sub” tenants. This supports the reasonable conclusion that he would more likely than not retain similar documentation for any subsequent tenancy arrangements at the property, whether acting as a tenant or as a landlord.

With respect to Demand Item #3, while the property owners may have had access to the records sought, they failed to respond to the Notice of Investigation issued on September 10, 2024, and further inquiry was not pursued. Importantly, during conversations with the Investigator on December 23, 2024, and January 23, 2025, Song did not indicate that he was no longer associated with the property. On January 23, 2025, he acknowledged understanding the requirements of the Demand.

Further to this, I note that Song has been subject to the English Language Proficiency Requirement (ELPR) under the RESA since at least 2022, in his capacity as a licensed broker providing property management services in BC. Under section 7 of the Real Estate Services Rules, all applicants for licensing must demonstrate English proficiency in reading, writing, speaking, and listening by achieving a minimum score of Level 7 on each component of the four components of the CELPIP-General test.

This reflects the regulatory requirement that licensed professionals possess the language skills necessary to understand legal obligations, communicate effectively with clients and regulators, and comply with statutory requirements. Song would have been required to meet this standard in order to obtain or maintain his license.

Given this, I find it implausible that Song did not understand the content or implications of the Demand. His failure to respond cannot reasonably be attributed to a lack of comprehension. Rather, in the absence of any explanation or effort to clarify or seek assistance, I can only conclude that Song's conduct may have been an attempt to obfuscate his responsibilities and avoid compliance with the Demand.

This further supports the conclusion that the non-compliance was deliberate and not the result of misunderstanding or inadvertence.

#### Was there a legitimate explanation for the failure to produce?

Song was served with a lawful Demand for Production of Records under section 87.2 of the Act and was provided with clear instructions and a reasonable timeframe to comply. The Demand explicitly stated that if any of the requested records were not in his possession or control, he was to notify the Investigator as soon as possible. This instruction was reiterated during a follow-up phone call on January 23, 2025, during which Song confirmed receipt of the Demand and acknowledged its requirements.

Despite these opportunities, Song failed to produce the records or offer any explanation for his non-compliance. He did not assert that the records were unavailable, nor did he request an extension or clarification. His silence in response to a lawful investigative demand—especially given his professional background and familiarity with regulatory obligations—cannot reasonably be interpreted as inadvertent or due to misunderstanding.

In administrative law, where a party fails to produce relevant evidence that is reasonably expected to be within their possession or control and fails to provide a credible explanation for that failure, it is appropriate to draw an adverse inference. In this case, I find that the withheld records would likely have been unfavorable to Song and that his non-compliance was deliberate.

This conclusion is supported by the totality of the evidence, including Song's continued association with the rental property, his role as a licensed property manager, and his prior ability to produce similar records. His failure to engage with the investigative process undermines the principles of transparency and accountability that underpin the Act.

#### Consideration of delay

I have also considered the timelines relevant to this matter and acknowledge the delay between the Investigator's initial concern regarding the second investigation in March 2023 and the submission of the Investigation Report and recommendation on February 17, 2025. The Investigator has explained that the delay was due to competing caseload priorities and challenges in obtaining an address for service for Song.

Although Song provided the same email address to both the RTB and CEU on several occasions between March 2023 and January 2025, he did not respond to any of the communications sent during that period. This lack of response raised questions about his awareness of the second investigation and, more critically, the Demand at the heart of this matter.

However, when Song was ultimately served with the Demand, he was provided a reasonable opportunity to make submissions, explain any barriers to doing so, or request an extension. He did not take any of these steps.

While the delay is regrettable, I am satisfied that it does not prejudice the fairness of the process or affect the substance of the decision. The relevant facts have been thoroughly considered, and the findings are based on the merits of the case rather than the timing of the investigative steps.

### Conclusion

Having drawn an adverse inference and pursuant to section 87.3(1)(b) of the Act, I find that Song failed to comply with the Demand. Given the deliberate nature of the non-compliance, the importance of the records to the investigation, and the absence of any legitimate explanation, an AMP is both necessary and proportionate.

In this case, Song's failure to comply with a lawful demand for production of records obstructed the CEU's ability to investigate potential violations of the Act. The records were key to determining whether Song was acting as a landlord and whether tenancy agreements existed that may have contravened the Act. His deliberate non-compliance undermines the CEU's mandate to protect the rights of tenants and landlords and to ensure accountability.

An AMP in this case reinforces the authority of the director and the importance of compliance with investigative demands. It serves to deter future non-compliance by landlords, property managers, and other regulated parties and supports the public interest by ensuring that investigations are not hindered by deliberate withholding of evidence.

### **Amount of penalty and Assessment of Factors:**

RTB Policy Guideline 41 ("PG41") sets out the policy framework and assessment criteria ordinarily used by the director in deciding whether to impose an administrative monetary penalty (administrative penalty), and, if an administrative penalty is imposed, to determine the amount of the penalty.

PG41 includes an Assessment Guideline at Appendix A, which the director may use to generate a score to guide their decisions about the amount of administrative penalty to impose, where warranted. The Assessment Guideline includes a number of factors, which each receive a score. This section provides guidance on how the director may interpret those factors and the criteria the director will usually consider in determining a score for a factor.

The Act does not require the director to consider the factors set out in section 87.3(2) of the Act when determining the amount of an administrative penalty for failure to comply with production of records. However, I find the factors to be relevant and will consider them in this matter. PG41 outlines the director's discretion to consider the factors as set out according to the Assessment Guideline in PG41, to the extent that they are applicable or relevant in a particular matter.

Section 87.4(2) of the Act stipulates that an administrative penalty may be imposed for each day a contravention or failure continues. Ordinarily, the director will only impose administrative penalties for each day of an ongoing contravention or failure to follow a decision or order if the contravention or failure has a current and serious impact on health and safety or, with respect to demands to produce records, the failure significantly impedes the investigation. However, the director may also determine that the totality of the circumstances, including the public interest or the failure of previous administrative penalties for the same or a similar contravention to achieve compliance, warrants a multi-day penalty.

### 1) Previous Enforcement Actions for Similar Contraventions

PG 41 describes an enforcement action as an action taken to obtain compliance with laws, orders, or similar legal requirements. A previous enforcement action would be an action set out above that occurred before the contravention at issue took place. The weight given to a previous enforcement action will depend on the length of time that has elapsed since the action. For example, a previous enforcement action that occurred five years ago may be given less weight than one that occurred six months ago.

The Investigator recommended a value of three for this factor based on evidence that indicated that Song has been subject to three disciplinary actions by the BCFSa, each involving serious non-compliance with real estate legislation. These include failing to respond to an audit report in 2022, resulting in a continuous \$6,250 AMP; a 2023 disciplinary hearing that led to a \$25,000 penalty, cancellation of his managing broker license, and further compliance orders; and a 2025 enforcement action where Song may have continued operating in a broker capacity despite being unlicensed, prompting BCFSa to suspend the brokerage's license.

Based on my review of this evidence, I do find that these previous enforcement actions taken by the BCFSa to be similar in nature to Song's failure to comply with the Demand with the RTB.

These repeated and escalating enforcement actions demonstrate a clear pattern of disregard for regulatory obligations, and I find that **3(three)** is the appropriate value for this factor.

### 2) Repeated or Continuous

#### 2(A) Number of repeated contraventions.

In PG 41 "repeated" is described as a person repeating the same contravention multiple times over the course of a tenancy, escalating related contraventions over the course of a tenancy or a person repeating the same contravention escalating over multiple tenancies.

The Demand was originally issued to Song on September 12, 2024, and it was sent to an email address that he previously provided to the Investigator, but Song did not respond to the email or make any submissions by the September 27 deadline. Service of the Demand at this time was not clear. The Investigator considered that Song may have been inactive in residential tenancy matters during that period and was only able to ascertain current contact information in December 2024 when Song provided his address and email again to the RTB's dispute resolution services. The Demand was then served to Song via registered mailed and was deemed served on January 17, 2024. Since there did not appear to be evidence of repeated failure to comply with similar demands, the Investigator suggested a point value of zero for this factor.

I find that Song failed to comply with the Demand by February 1, 2025, and that the failure was not repeated but rather continuous. I find that appropriate value for this factor is **0 (zero)**.

2 (B) Number of days/weeks/months the contravention has continued.

PG41 describes a “continuous” contravention as one that is ongoing or uninterrupted.

The Investigator recommended a value of three for this factor and suggested that Song “viewed” the Demand as confirmed by the SFTS tracking system, signed for the registered mail on January 17, 2025, and on January 23, 2025, confirmed that he received the Demand by mail. The Investigator suggested that these three actions constituted a continuous failure to comply with the Demand.

As explained in my decision, the Demand was received by Song on January 17, 2025, and his deadline for submissions was extended to January 31, 2025. Since February 1, 2025, Song has failed to comply with the production of records. I find that a value of **1 (one)** for this factor would be appropriate to represent to the continuous nature of the failure and be in proportion to the failure.

### 3) Gravity and Magnitude

The Investigator recommended a value of 1 for this factor and suggested that the failure to comply impeded the second investigation that sought to ensure compliance with the Act around tenant rights regarding ending of tenancies and rent increases and that the Demand was issued during the investigation due to the serious nature of the allegations.

PG41 defines gravity and magnitude as the severity or seriousness of the risk or potential impact resulting from the contravention, including the extent of that impact. In this case, Songs’ failure to comply with the Demand significantly impeded a formal CEU investigation into allegations of a subleasing scheme potentially designed to circumvent the Act.

The investigation sought to determine whether tenants’ rights—particularly around tenancy termination and rent increases—were being undermined. The inability to obtain the requested records prevented the CEU from verifying the nature of tenancy arrangements and assessing whether the Respondents were engaging in practices that could harm tenants’ financial and housing security.

This obstruction delayed the investigation, limited the CEU’s ability to enforce compliance, and potentially allowed unlawful tenancy practices to continue unchecked. Given the seriousness of the allegations and the direct impact on the CEU’s mandate to protect rights of both tenants and landlords, the failure to comply represents a high level of gravity and magnitude.

Therefore, a value of **5 (five)** is appropriate to reflect the serious risk to the economic well-being and housing stability of affected tenants, and the significant disruption to the CEU’s enforcement efforts.

### 4) Extent of harm to others

In PG41 this factor considers “*The actual harm resulting from the contravention. A person’s physical or mental health can be harmed. Impacts on a person’s mental state can be considered even if medical care or treatment is not required. There can also be economic and fiscal harm arising from damage to property, lost wages and revenue, or the reduction in the value of a material item*”.

The Investigator recommended a value of zero for this factor suggesting that there was no evidence of harm to a person’s physical, mental, or fiscal and economic health.

I find that the failure to produce records hindered the CEU's ability to assess potential harm to tenants, including whether tenancy agreements were lawful and whether tenants were protected under the Act. The failure impeded the investigative process to such a degree that it prevented a full assessment of the nature of any potential contraventions of the Act such as loss of housing and as such I am satisfied that there has been an element of harm.

I find the appropriate value for this factor is **1(one)** to represent this harm to the investigation.

#### 5) Deliberateness

PG41 describes a deliberate contravention as one that is done on purpose. This means the Respondent intentionally or knowingly contravened the Act. A contravention may not always be deliberate at the beginning, but if the Respondent intentionally or knowingly allows the contravention to continue, the contravention may be considered deliberate.

In this case, Song was clearly aware of the requirements of the Demand and the consequences of failing to comply. He confirmed receipt of the Demand, acknowledged the allegations, and was advised that if he did not possess the records, he could submit a written explanation. Despite this, Song failed to provide any records or explanation by the January 31 deadline.

This conduct demonstrates a knowing and intentional decision not to comply. While the Investigator recommended a value of 10, I find that a value of **7 (seven)** appropriately reflects the seriousness of the contravention and supports the need for deterrence.

Assigning a value of 7 sends a clear message that non-compliance with a lawful Demand during an active investigation is unacceptable, especially when the individual has been given multiple opportunities to comply or explain. It reinforces that deliberate obstruction of a CEU investigation undermines the enforcement of the Act, and that such conduct will result in meaningful consequences.

This value also recognizes that while Song did engage with the CEU and did not entirely ignore the process, his failure to follow through with the required action was nonetheless deliberate.

The deterrent effect is particularly important in this context. CEU investigations are a critical mechanism for ensuring compliance with the Act, and failure to comply with investigative demands can delay enforcement, obscure facts, and potentially allow harmful practices to continue. A value of 7 communicates that intentional non-compliance will be met with serious consequences, even if the failure falls short of the most egregious conduct.

#### 6) Economic Benefit

PG 41 describes economic benefit as "financial gain the respondent obtains from their contravention" and states "For example, if a tenant contravenes the RTA by failing to pay \$12,000 in rent, the economic benefit to them would be \$12,000."

Although Song likely didn't benefit financially from withholding records, its subleasing model might be profitable if it contravened the Act, possibly explaining non-compliance with the Demand. However, the Investigator couldn't quantify any financial gain and recommends assigning zero points.

I find the appropriate value for this factor is **0 (zero)**.

#### 7) Efforts to Correct

PG41 describes a Respondent's efforts to correct as a mitigating factor and that the director may consider:

- what, if any, reasonable steps the Respondent has taken,
- how promptly the Respondent acted,
- the completeness of the correction, and
- any extenuating circumstances that may have impacted a Respondent's reasonable efforts.

The formula used to guide a determination of value for this factor sets the values in negative terms, intended to be used to reduce the cumulative score calculated prior to determining a value here. The intention is that a Respondent's mitigation efforts may offset the total value of scores from factors 1 through 6.

The Investigator recommended a value of zero for this factor and stated that it did not appear that Song made any reasonable efforts to comply with the Demand.

Although Demand Item #1 records were satisfied, it was not because Song provided the records, rather the Investigator was able to gather that information from the RTB's digital case management system and considered this satisfied while the Demand Items #2 and #3 when without any submissions from Song or any explanation as to why they could not be provided.

I find the appropriate value for this factor is **0 (zero)**.

#### **Penalty Assessment score:**

Based on my assessment and in accordance with the formula explained under section F in PG 41, I find the correct value to be applied is 17 (17 multiplied by 142 is equal to \$2,414.00). Rounded to the nearest 100=\$2,400.00.

#### **Total administrative penalty:**

The amount of administrative penalty being issued against Song is \$2,400.00.

#### **Additional Information:**

Please note that the Act allows for separate monetary penalties of \$5,000.00 for each day a contravention continues. At this time, I am setting the penalty at \$2,400.00 with the expectation that this will ensure compliance with the Act.

Pursuant to section 87.01(4)(a)(b) of the Act, the RTB will be publishing the decision and summary thereof, including penalty payment status.

The \$2,400.00 administrative penalty is to be made payable to the Minister of Finance by cheque, money order or bank draft. Please submit the payment to:

Christy Sorley  
Case Manager, Compliance and Enforcement  
Residential Tenancy Branch  
PO Box 9298 Stn Prov Govt  
Victoria, BC V8W 9J8

**Date by which penalty must be paid is December 8, 2025.**

Section 35 of the Regulation states that an administrative penalty must be paid within 60 days after the date of the order. **Please send your payment to my attention at the address noted above by December 8, 2025.**

Sections 87.3 (4) through 87.3 (7) of the Act provide opportunities for the Director to consider alternatives to enforcing all or part of an Administrative Penalty. Any request to consider an alternative can be sent to my attention at the address provided above before the payment due date. The request should include your proposal for an agreement including:

- the actions you propose to take,
- the date by when you propose to have completed those actions, and
- the amount by which you propose the administrative penalty be reduced or whether you propose the administrative penalty be cancelled if those actions are completed by that date.

If an agreement is entered into and you fail to complete the required actions by the specified date, the administrative penalty will once again be due and payable.

**Right to have the Director reconsider the decision imposing the penalty:**

Under section 87.8 of the Act, you have the right to apply to the Director for a review of the matters set out in this notice. Division 2 of Part 5 of the Act applies to any such review. Please note that, as outlined in section 87.8 (4) of the Act, a decision or order of the Director may be reviewed only on one or more of the following grounds:

- a) the person couldn't be heard because of unanticipated circumstances beyond their control;
- b) the person has new and relevant evidence that was not available before the director imposed the administrative penalty;
- c) a procedural error materially affected the decision to impose the administrative penalty or the amount of the administrative penalty;
- d) a technical irregularity or error materially affected the decision to impose an administrative penalty or the amount of the administrative penalty;
- e) the director did not determine an issue they were required to determine.

An application for review of a decision or order of the Director:

- a) must be made in the approved form and in the manner approved by the Director,
- b) must be accompanied by the fee prescribed in the regulation,
- c) must be accompanied by full particulars of the grounds for review and the evidence on which the applicant intends to rely, and

d) may be made without notice to any other party.

The time limit for filing an application for review is within 15 days after you have received a copy of this decision. In accordance with section 89(3)(c) of the Act, you will be deemed to have received this decision on the fifth day after it is mailed, unless received earlier (section 90 of the Act).

Should you wish to exercise this right, complete an Application for Review Consideration of an Administrative Penalty (form #RTB-56). Be sure to clearly indicate the grounds for the review and include all evidence that supports your claim. Submit your application along with the \$50.00 filing fee in person at a Residential Tenancy Branch office or Service BC location or by mailing the form to the Burnaby RTB office (address provided on form #RTB-56). If you submit the form by mail, ensure it is postmarked by Canada Post staff and sent within the 15-day review period. You may pay the filing fee by sending a certified cheque or money order payable to the Minister of Finance to the Residential Tenancy Branch Office or by paying in person at the RTB Burnaby Office or in person at a Service BC Office. If you would like to request a fee waiver, please explain your reasons in writing and submit with your Application for Review Consideration form.

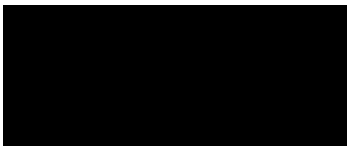
You can find additional information including the Application for Review Consideration of an Administrative Penalty on this webpage: <https://www2.gov.bc.ca/gov/content/housing-tenancy/residential-tenancies/solving-problems/tenancy-compliance-enforcement/outcomes#review>

**Recovery of Administrative Penalty:**

As set out in section 87.9(1) of the Act, an administrative penalty is a debt due to the government. Failure to pay the penalty as ordered will result in the debt being transferred to the Ministry of Finance where interest will accrue and collection action being taken.

In addition, section 59(5)(b) of the Act gives the RTB the authority to refuse applications for dispute resolution, with respect to any matter, if the applicant owes outstanding fees under this Act to the government.

Sincerely,



**\*Signature on Original\***

Christy Sorley  
Case Manager, Compliance and Enforcement  
Residential Tenancy Branch  
PO Box 9298 Stn Prov Govt  
Victoria, BC V8W 9J8



Enclosed:  
Administrative Order  
PG41