



June 7, 2019  
File No.: INV18.313.53758

Michael Scott  
Manager, Investigations  
Real Estate Council of British Columbia  
900 – 750 West Pender Street  
Vancouver, BC V6C 2T8

Dear Mr. Scott:

**Re: Real Estate Licensees working with Jay Kanth Chaudhary**

On May 23, 2019 the Acting Registrar of Mortgage Brokers, Chris Carter signed a Cease and Desist Order in accordance with the Mortgage Brokers Act. The order stated: Pursuant to section 8(1.4)(a) and 8(2) of the Mortgage Brokers Act, Jay Kanth Chaudhary (Chaudhary) to immediately:

Cease and desist from carrying on business as a mortgage broker or submortgage broker, from acting as or holding out as a mortgage broker or submortgage broker in British Columbia and from conducting any unregistered mortgage broker activity in the Province of British Columbia in any capacity, effective immediately, unless and until he becomes registered to do so under the provisions of the Act.

A redacted version of the Cease and Desist Order was posted on the Office of the Registrar of Mortgage Brokers website on May 29, 2019.

On May 24, 2019 the Office of the Registrar of Mortgage Brokers (Registrar) shared a redacted copy of the Cease and Desist Order with RECBC prior to the Order being made public as the Cease and Desist Order alleges that Chaudhary worked with real estate licensees (licensees). The Office of Registrar of Mortgage Brokers continues to investigate Chaudhary for non-compliance with the Mortgage Brokers Act.

The Registrar's investigation has obtained evidence that licensees referred their clients to Chaudhary to arrange mortgage financing for the licensees' clients. Evidence indicates the licensees obtained a fee from their clients to pay Chaudhary for arranging financing. Further evidence gather to date by the Registrar indicates that licensees obtained documentation from their clients that was then provided to Chaudhary to support their clients mortgage applications. Evidence revealed that Chaudhary used altered / fraudulent documents such as tax documents, bank account statements, letters of employment to obtain mortgage financing for the licensees' clients.

The Registrar is providing the unredacted version of the Chaudhary Cease and Desist Order and the Investigation Report provided to Legal Services in support of the Cease and Desist Order. The Investigation Report contains information and details actions of several real estate licensees. The Investigation Report does not provide an exhaustive list of real estate licensees or evidence in the possession of the Registrar that could indicate improper activities by licensees.

In addition to referring clients to Chaudhary, several licensees worked with Chaudhary to arrange their own mortgage financing. The Registrar has interviewed several licensees who utilized Chaudhary to obtain mortgage financing for their own properties. The mortgage financing for the licensees' properties were obtained with altered / fraudulent support documents. The following licensees who arranged mortgage financing with Chaudhary have been interviewed by Registrar's investigators and copies of the transcript of their interviews are attached:

[REDACTED]

The Registrar holds a large amount of evidence obtain during the investigation of Chaudhary's unregistered mortgage broker activity. The Registrar is willing to share evidence to assist RECBC investigations. The Registrar is providing RECBC the unredacted Cease and Desist Order and supporting Investigation Report as well as the transcripts of interviews of 4 licensees that were conducted during the Chaudhary investigation. These documents are being shared for whatever action RECBC deems appropriate.

Earlier correspondence that the Registrar sent RECBC concerning possible improper conduct by licensees is attached to this letter. This includes a letter dated, August 3, 2018 where the Registrar provided evidence that two licensees utilized Chaudhary to arrange mortgage financing with altered / fraudulent documents, and an email dated May 17, 2019, where the Registrar provided RECBC with a list of licensees who had been identified in evidence held by the Registrar as working with Chaudhary.

If you have any questions or concerns, please do not hesitate to call me direct at [REDACTED].

Yours truly,



Doug Brecknell  
Investigator,  
Office of Registrar of Mortgage Brokers

**Enclosures:**

- Cease and Desist – Chaudhary – May 23, 2019
- Investigation Report - Cease and Desist – Chaudhary
- Letter to RECBC – [REDACTED] – August 3, 2018
- Email to RECBC – List of licensees – May 17, 2019
- Transcript of interview of [REDACTED] – December 11, 2018
- Transcript of interview of [REDACTED] – October 17, 2018
- Transcript of interview of [REDACTED] – May 14, 2019
- Transcript of interview of [REDACTED] November 20, 2018
- Transcript of interview of [REDACTED] – April 25, 2019
- Transcript of interview of [REDACTED] – October 17, 2018

cc: Raheel Humayun, Manager, Investigations, OSRE