



THE MANITOBA
SECURITIES
COMMISSION

IN THE MATTER OF: **THE REAL ESTATE BROKERS ACT and
THE MORTGAGE BROKERS ACT**

-and-

IN THE MATTER OF: **KAMALDEEP GREWAL, CHARMAINE HERNANDEZ
AND MANEET SINGH JASSAL**

**STATEMENT OF ALLEGATIONS OF STAFF OF
THE MANITOBA SECURITIES COMMISSION**

STAFF OF THE MANITOBA SECURITIES COMMISSION (“Commission”) ALLEGE THAT:

A. REGISTRATION

1. At all material times, Kamaldeep Grewal (“GREWAL”) was registered as a salesperson under *The Mortgage Brokers Act* (“MBA”) with Advantage Mortgage Centre Inc. o/a Mortgage Architects – Your Key Mortgage Partners (“MORTGAGE ARCHITECTS”) as his employing mortgage broker.
2. At all material times, Charmaine Hernandez (“HERNANDEZ”) was registered as a mortgage broker salesperson under the MBA with Centum Above All Financial Inc (“CENTUM”) as her employing mortgage broker.
3. Since September 5, 2017, HERNANDEZ has been a registered real estate salesperson under *The Real Estate Brokers Act* (“REBA”) with 3529763 Manitoba Ltd. o/a Coldwell Banker Preferred Real Estate as her employer.
4. From December 7, 2012 to January 25, 2017, Maneet Singh Jassal (“JASSAL”) was a registered real estate salesperson under REBA with 3529763 Manitoba Ltd. o/a Coldwell Banker Preferred Real Estate as his employer.
5. From January 25, 2017 to February 25, 2019, JASSAL was registered as a real estate salesperson under REBA with Landmhel Real Estate Services Inc. o/a Landmhel as his employer.
6. Since February 26, 2019, JASSAL has been a registered real estate salesperson under REBA with 3529763 Manitoba Ltd. o/a Coldwell Banker Preferred Real Estate as his employer.

B. DETAILS

1. C.B. and A.B. were interested in purchasing a home. In May or June of 2016, C.B. and A.B. contacted and met with HERNANDEZ of CENTUM at the CENTUM office regarding qualifying for a mortgage. C.B. and A.B. provided HERNANDEZ with their financial information and requested that HERNANDEZ process a mortgage application seeking pre-approval on their behalf.
2. Several days later, C.B. and A.B. returned to the CENTUM office where HERNANDEZ introduced them to JASSAL. JASSAL showed C.B. and A.B. new home models that could be built by SRENA Homes Inc ("SRENA"), including a new home to be built at 458 Matheson Avenue. HERNANDEZ and JASSAL told C.B. and A.B. that the price for the new home to be built at 458 Matheson Avenue was \$275,000. C.B. and A.B. liked the location of 458 Matheson Avenue and asked HERNANDEZ and JASSAL to see if they could be approved for a mortgage to enable them to buy the property.
3. On or about June 7, 2016, HERNANDEZ provided the application to her broker, Naseer Chaudhry. Based on the financial information in the application, Chaudhry determined A.B. and C.B. had too much debt and as a result, their credit score would be low. He did not conduct a credit check, but determined C.B. and A.B. would not qualify for a mortgage. HERNANDEZ and JASSAL were both advised that C.B. and A.B. would not be able to obtain a mortgage through CENTUM.
4. On or about June 9, 2016, HERNANDEZ and JASSAL invited C.B. and A.B. to a meeting with GREWAL of MORTGAGE ARCHITECTS. Once C.B. and A.B. had been introduced to GREWAL, HERNANDEZ and JASSAL left. C.B. and A.B. provided GREWAL with financial information to enable him to process a mortgage application on their behalf. On June 10, 2016, GREWAL performed a credit check and received credit reports for C.B. and A.B.
5. On or about June 10, 2016, GREWAL told JASSAL that C.B. and A.B. needed to improve their credit scores before he could approve a mortgage for them.
6. JASSAL prepared an Offer to Purchase (the "OTP") for 458 Matheson Avenue, Winnipeg, Manitoba. On or about June 13, 2016, C.B. and A.B. signed and entered into an agreement to purchase 458 Matheson Avenue from SRENA.
7. The OTP specified that SRENA was to build a home on the 458 Matheson Avenue lot. The anticipated date of possession specified in the OTP was November 29, 2016, with that date to be finalized by SRENA at shingle stage.
8. JASSAL was both the listing and selling salesperson under the OTP. Coldwell Banker Preferred Real Estate ("Coldwell Banker") was the selling and listing broker under the OTP.

9. The OTP included options and upgrades totaling \$9,822.00. The upgrades included hardwood flooring, the addition of a kitchen pantry, an additional paint colour, and upgraded kitchen cabinets.

10. The purchase price on the OTP was \$291,000, less \$1,000 deposit. The listed amount of the mortgage to be arranged was \$276,450.00. The balance required to close ("closing costs") was \$13,550.00.

11. The OTP also stated that the purchasers were to arrange for financing by June 24, 2016, otherwise the OTP was to be considered null and void.

12. JASSAL told C.B. and A.B. that the purchase price increased from the \$275,000 first quoted to \$291,000 in the OTP to cover the closing costs and down payment.

13. JASSAL also told C.B. and A.B. that the upgrades listed in the agreement were included to justify raising the purchase price to \$291,000, but that the upgrades would not actually be completed and the new home would be finished with only the basic package. A.B. advised Staff that the \$16,000 difference between the price initially quoted (\$275,000) and the OTP purchase price (\$291,000) was to be used as the down payment and closing costs for the home.

14. On or about June 13, 2016, JASSAL forwarded the OTP signed by C.B. and A.B. to GREWAL.

15. On or about June 14, 2016, GREWAL called JASSAL and advised him that the clients could not be approved for a mortgage until their credit scores had improved.

16. On or about June 15, 2016, HERNANDEZ contacted C.B. and advised that she was not able to approve C.B. and A.B. for a mortgage at that time.

17. On or about June 16, 2016, HERNANDEZ contacted C.B. and advised that she and A.B. had been approved for a mortgage. HERNANDEZ also advised them to focus on paying off their debts and saving to pay the closing costs. HERNANDEZ further advised that she and JASSAL were going to help C.B. and A.B. with the down payment.

18. On or about June 29, 2016, C.B. received a letter from GREWAL on Mortgage Architects letterhead advising that A.B. and C.B. had been approved for the purchase of a house up to \$291,000 with a 5% down payment. The letter was also addressed to JASSAL.

19. On December 28, 2016, A.B. received a call from JASSAL asking A.B. to meet him at the office. A.B. went to the office and JASSAL produced a cheque from SRENA signed by Sunil Arora in the amount of \$19,500.00 payable to A.B. ("SRENA cheque").

20. JASSAL instructed A.B. to deposit the SRENA cheque in his chequing account immediately and then provide JASSAL with proof of the deposit. A.B. deposited the SRENA cheque on December 28, 2019 and provided JASSAL with copies of the bank inquiry receipt and A.B. and C.B.'s bank statement showing the SRENA cheque posted to their account.

21. A.B. prepared a note on a copy of the SRENA cheque indicating that the \$19,500 was intended to be paid as follows: (1) down payment to contractor (SRENA) of \$13,550; and (2) closing costs of \$5,950.

22. Sunil Arora of SRENA told staff that the \$19,500 advanced to A.B. and C.B. was a loan intended to be secured by a second mortgage on 458 Matheson Avenue once the sale proceeded.

23. On or about December 29, 2016, A.B. asked JASSAL why they had not signed mortgage documents yet, and JASSAL advised that they had to wait on GREWAL. JASSAL failed to advise C.B. and A.B. that no financial provider had approved a mortgage for them.

24. On December 29, 2016, JASSAL provided C.B. and A.B.'s updated financial information to GREWAL, including a copy of the bank inquiry receipt indicating the \$19,500.00 SRENA cheque deposit. JASSAL also spoke with GREWAL over the phone. GREWAL advised that he was out of the country and he would not be returning to Canada until the end of January and therefore would not be available to obtain a mortgage for C.B. and A.B. until early February, 2017.

25. On January 5, 2017, A.B. texted HERNANDEZ and advised her that his insurer could not place fire insurance on the new home as there was no mortgage approval in place. HERNANDEZ did not respond to that text message from A.B.

26. C.B. and A.B. met with HERNANDEZ and JASSAL again on or about the first week of January 2017 to ask which financial institution was providing the mortgage and to get mortgage instructions for their lawyer. HERNANDEZ and JASSAL failed to advise C.B. and A.B. that no financial provider had approved a mortgage for them and that GREWAL would be unavailable to process a mortgage application for them prior to their revised January 15, 2017, possession date.

27. On or about January 13, 2017, HERNANDEZ and JASSAL took C.B. and A.B. on a walk-through of the 458 Matheson Avenue home ahead of the January 15, 2017 possession date. After the walk through, JASSAL informed C.B. and A.B. that their credit score had decreased. JASSAL suggested they immediately settle their debt with one creditor to raise their credit score. JASSAL also indicated that he had been unable to contact GREWAL. C.B. and A.B. immediately privately borrowed money and paid off a creditor.

28. The sale of the Matheson Property to C.B. and A.B. was not completed as contemplated under the OTP.

29. On or about January 26, 2017, C.B. and A.B. asked JASSAL why their lawyer had still not received mortgage instructions. JASSAL advised them to come to the CENTUM office with their pay stubs and financial information. When C.B. and A.B. attended the CENTUM office, HERNANDEZ advised that she and JASSAL had been unable to contact GREWAL regarding the status of the mortgage. At that time, with the permission of C.B. and A.B., JASSAL and HERNANDEZ performed a credit check.

30. On or about January 28, 2017, HERNANDEZ called A.B. and advised that A.B. had been approved for a \$200,000 mortgage which was not enough to purchase 458 Matheson Avenue. HERNANDEZ took A.B. to view a different property, but A.B. was uninterested in making an offer on the alternative property.

31. As instructed by HERNANDEZ and JASSAL, C.B. and A.B. had arranged to sublet their apartment as of February 1, 2017 based on the January 15, 2017 possession date for 458 Matheson Avenue. C.B. and A.B. began to look for a new apartment on January 30, 2017.

32. On January 30, 2017, C.B. texted HERNANDEZ and asked for a copy of the OTP for 458 Matheson Avenue as they had never been provided with a copy. HERNANDEZ responded that the OTP had already been shredded, was null and void and that they did not need a copy. HERNANDEZ refused to provide a copy of the OTP to C.B. and A.B.

33. Later that day, JASSAL called A.B. and advised that he had a copy of the OTP that he would be willing to exchange for the \$19,500.00 that had been advanced via the SRENA cheque.

34. On February 5, 2017, HERNANDEZ met A.B. at a coffee shop. A.B. gave HERNANDEZ a bank draft in the amount of \$19,500.00 and HERNANDEZ provided a copy of the OTP for 458 Matheson in exchange.

C. ALLEGATIONS

1. Staff of the Commission allege that Kamaldeep Grewal:
 - (a) made a false statement under the MBA by providing a mortgage approval letter to C.B. and A.B. without performing the necessary checks and gaining approval from a financial institution;
 - (b) failed in his primary duty to protect and promote the best interests of his clients C.B and A.B.;
 - (c) engaged in conduct, as set forth in these allegations, that is contrary to the public interest;

and due to these allegations it is in the public interest that the registration of Kamaldeep Grewal under the MBA be suspended or cancelled and that he be ordered to pay a fine and that the exemptions in subsection 3(1) of the MBA do not apply to Kamaldeep Grewal. Staff also ask that pursuant to subsection 36(1) of the MBA that costs be ordered against Kamaldeep Grewal.

2. Staff of the Commission allege that Charmaine Hernandez:

- (a) omitted to disclose a material fact in failing to clearly advise C.B. and A.B. that they had not been approved for a mortgage for 458 Matheson Avenue;
- (b) engaged in a course of conduct calculated to deceive a lender under the MBA in conspiring with Maneet Singh Jassal to inflate the purchase price of the home;
- (c) committed a fraudulent act under the MBA by engaging in a course of conduct to obtain money by wrongful or dishonest dealing when she met with A.B. and exchanged a copy of the OTP for a bank draft of the funds advanced by SRENA;
- (d) failed in her primary duty to protect and promote the best interests of her clients C.B and A.B.;
- (e) engaged in conduct, as set forth in these allegations, that is contrary to the public interest;

and due to these allegations it is in the public interest that the registration of Charmaine Hernandez under the MBA and the REBA be suspended or cancelled and that she be ordered to pay a fine and that the exemptions in subsection 3(1) of the MBA do not apply to Charmaine Hernandez. Staff also ask that pursuant to subsection 36(1) of the MBA that costs be ordered against Charmaine Hernandez.

3. Staff of the Commission allege that Maneet Singh Jassal:

- (a) committed a fraudulent act under the REBA by inflating the purchase price of 458 Matheson Avenue in the OTP to include upgrades that would not be done;
- (b) acted contrary to subsection 21(1) of REBA by failing to deliver duplicate copies of the OTP to the offerors C.B. and A.B.;
- (c) committed a prohibited inducement under subsection 29(1)(c) and (d) of REBA by delivering and obtaining a mortgage or loan for the down payment and closing costs under the OTP to A.B and C.B.;

- (d) failed in his primary duty to protect and promote the best interests of his clients C.B and A.B.;
- (e) engaged in conduct, as set forth in these allegations, that is contrary to the public interest;

and due to these allegations it is in the public interest that the registration of Maneet Singh Jassal under the REBA be suspended or cancelled and that he be ordered to pay a fine. Staff also ask that pursuant to subsection 34(1) of the REBA that costs be ordered against Maneet Singh Jassal.

4. Such further and other matters as counsel may advise that the Commission may permit.

DATED at the City of Winnipeg, in Manitoba this 5th day of November, 2019.



Director

**TO: KAMALDEEP GREWAL
CHARMAINE HERNANDEZ
MANEET SINGH JASSAL**