

**IN THE MATTER OF THE *MORTGAGE BROKERS ACT*,
RSBC 1996, c. 313 as amended**

- AND -

IN THE MATTER OF TANYA ANN SMITH

CONSENT ORDER

(Pursuant to sections 8 and 8(1.2) of the *Mortgage Brokers Act*)

WHEREAS Tanya Ann Smith (“Ms. Smith”) was registered as a submortgage broker from April 30, 2008 to August 29, 2020;

AND WHEREAS the Registrar of Mortgage Brokers (the “Registrar”) issued a Notice of Hearing to Ms. Smith on April 5, 2019 (the “Notice of Hearing”);

AND WHEREAS the following agreement has been reached between Ms. Smith and the Staff of the Registrar (the “Staff”);

AND WHEREAS the Registrar agrees to the following terms of a consent order:

A. FINDINGS

The Registrar makes the following findings against Ms. Smith and Ms. Smith accepts the following findings made against her:

1. In her capacity as a submortgage broker, Ms. Smith conducted business in a manner that is prejudicial to the public interest contrary to section 8(1)(i) of the *Mortgage Brokers Act* (the “MBA”) in that Ms. Smith facilitated the unregistered mortgage broker activities of Loan Depot Canada (“LDC”) and the unregistered submortgage broker activities of Dean Frank James Walford (“Mr. Walford”), when she carried out one or more of the following, in respect of five borrowers and five mortgage applications:
 - a. Permitted Mr. Walford to direct the course of mortgage applications, including submitting borrowers’ personal, employment and financial information and supporting documents as provided by Mr. Walford to lenders in support of mortgage applications, despite having had notice, by way of an Industry Alert dated October 23, 2014 that, on September 12, 2011, the Registrar had issued a Cease and Desist Order relating to the unregistered mortgage activity of LDC and Mr. Walford; and

- b. Permitted Mr. Walford and LDC to carry on as a submortgage broker or mortgage broker by permitting Mr. Walford and LDC to arrange and obtain property appraisal reports and perform credit checks in support of mortgage applications; and
- c. Provided to lenders borrowers' personal information provided to her by Mr. Walford including employment and financial information in order to complete mortgage applications.

B. ORDERS AND PENALTY

Pursuant to sections 8(1.2), 4 and 6(9) of the MBA, Ms. Smith hereby consents to, and the Registrar hereby makes, the following orders:

1. Upon renewal of Ms. Smith's license, for a period of 12 months ("Supervision Period"), Ms. Smith must be under the direct supervision of the Designated Individual ("DI") or a registered submortgage broker appointed by the DI of the brokerage to which she is registered as a submortgage broker to be her supervisor ("Supervisor"), and who is satisfactory to the Registrar;
2. For the Supervision Period, the DI or Supervisor must review and sign-off on all mortgage transactions involving Ms. Smith, including any mortgage transaction that Ms. Smith is indirectly involved in;
3. Ms. Smith will pay an administrative penalty in the sum of \$4,000;
4. Pursuant to section 6(9) of the MBA, Ms. Smith will pay partial investigative costs of \$1,000;
5. All payments will be made by cheque, bank draft, or money order made payable to the BC Financial Services Authority, and all amounts outstanding 60 days following execution of this Order will represent a debt owing and be subject to interest pursuant to the *Financial Administration Act*, RSBC 1996, c. 138.

C. AGREED FACTS

As a basis for this Consent Order, Ms. Smith acknowledges the following facts as correct and makes the following admissions:

Background

1. In June 2010, the Registrar issued Bulletin Number MB 10-005 on the topic of 'Co-Brokering: Requirement for both mortgage brokers in a co-brokering arrangement to be registered'. It states, in part:

Mortgage brokers and submortgage brokers must ensure that they do not co-broker a mortgage transaction with a person in British Columbia who is not registered under the Mortgage Brokers Act, or with a person in another jurisdiction, who is not licensed or registered as a mortgage broker in that other jurisdiction.

Both brokers in a co-brokering arrangement are equally liable for the mortgage transaction and will share regulatory responsibility for compliance issues. However, if an individual in a co-brokering arrangement is not registered, and there are regulatory compliance issues with the transaction, it is likely that the registered broker will be the focus of disciplinary proceedings.

In addition, brokers should be aware that compliance problems are more likely to occur in co-brokered transactions with unregistered individuals. In some cases, brokers who co-broker mortgages with unregistered individuals may be participating in fraudulent transactions. For example, FICOM has recently received reports from industry members that an unregistered individual is presenting fully completed mortgage application forms to registered mortgage brokers and asking that they present the applications to their lenders.

2. On September 12, 2011, Mr. Walford and LDC were the subject of a Cease and Desist Order of the Registrar for engaging in unregistered mortgage broker activity in British Columbia. On October 23, 2014, an Industry Alert was sent to all registrants advising of the Cease and Desist Order and informing registrants that Staff of the Registrar had received information that Mr. Walford may be approaching mortgage brokers to partner on mortgage transactions.
3. Ms. Smith acknowledges that she received this Industry Alert.
4. Ms. Smith was registered as a submortgage broker from April 30, 2008 to August 29, 2020. At the time of the transactions in question, Ms. Smith was an active submortgage broker at DLC Mountain View.
5. As a result of the investigation and issuance of the Notice of Hearing in these proceedings, Ms. Smith has been excluded from the industry and unable to provide mortgage broker services on behalf of her brokerage since June 2019 pending the resolution of the matter, although she remained a registrant until August 29, 2020.
6. Ms. Smith, while registered as a submortgage broker, provided broker assistance to two submortgage brokers including Grant Curtis. In relation to Mr. Curtis, this role included ensuring that the documentation for a mortgage application was complete and arranging mortgage financing on transactions.
7. The nature of Ms. Smith's role as a submortgage broker was that she was to review documents she received from Mr. Curtis and deal with lenders. Ms. Smith was to have no direct contact with borrowers, and it was intended that her contact would be with Mr. Curtis.
8. Mr. Curtis was first registered as a submortgage broker with DLC Mountain View on July 11, 2008. He was registered with DLC Mountain View on February 27, 2019, when his registration was terminated by his brokerage.

9. Ms. Smith acknowledges that in the identified transactions, she did not have direct contact with borrowers. Ms. Smith worked with Mr. Curtis who had arrangements with Mr. Walford and her role was to develop financing opportunities on transactions. She reviewed documents provided by either Mr. Curtis or Mr. Walford which she knew were obtained from borrowers directly by Mr. Walford.
10. Ms. Smith was aware that Mr. Walford, through LDC, was arranging and receiving appraisals on properties on behalf of borrowers which were then provided by Mr. Walford to Mr. Curtis or directly herself.
11. Ms. Smith admits that she facilitated the unregistered mortgage activities of both Mr. Walford and LDC as set out in paragraphs A.1(a)-(c) above, in respect of five borrowers and five mortgage applications to various lenders.
12. Ms. Smith acknowledges that she failed to keep apprised of those individuals subject to Cease and Desist Orders.
13. Ms. Smith received commission as a result of these transactions.
14. Ms. Smith remained in good standing with the Registrar during the investigation. At no time did the Registrar suspend or cancel Ms. Smith's registration, nor did it order that Ms. Smith cease any specified activities.
15. The transactions in question closed to the satisfaction of the purchasers and borrowers and did not call into question Ms. Smith's skills.

Other Factors

16. Ms. Smith has no prior history of discipline with the Registrar.
17. The brokerage firm out of which Ms. Smith was based, has implemented changes to its practice to ensure that all referral sources are investigated. A referral section to the file documentation has been added to ensure that information is disclosed before work commences on a file.

WAIVER

18. Ms. Smith waives her right to hearing under section 8(1.2) of the MBA and waives her right to appeal under section 9 of the MBA.

Approved as to form and content by:



_____ this 29th day of January, 2021.

Alexandra Luchenko
Counsel for Tanya Ann Smith



_____ this 29th day of January, 2021.

Jessica Gossen
Legal Counsel for the Staff of the
Registrar of Mortgage Brokers

Issued this 14th day of ^{BFM} ~~January~~ February, 2021, at Vancouver, British Columbia.



Blair Morrison, Registrar of Mortgage Brokers
Province of British Columbia