



IN THE MATTER OF THE MORTGAGE BROKERS ACT
R.S.B.C. 1996, c. 313

-AND-

BENNETT STEEVES
aka BASIL STEEVES

CEASE and DESIST ORDER

(Pursuant to s.8(1.4) of the *Mortgage Brokers Act*)

I am advised, and based on the materials submitted by staff of the Registrar of Mortgage Brokers ("Staff"), I am of the opinion that:

Background

1. No person by the name of Bennett Steeves or Basil Steeves has ever been registered as a mortgage broker or submortgage broker in British Columbia.
2. Bennett Steeves has been known to also use the name Basil Steeves. For clarity, I shall refer only to "Steeves" throughout.

Complaints and Investigation

September 11, 2007 Complaint

3. On September 11, 2007, [REDACTED] ("J [REDACTED]") wrote Staff to ask whether Steeves was "legit". J [REDACTED] forwarded an email she had just received from Steeves which suggested that he was in the process of arranging mortgage financing for her.
4. The matter was investigated and, on December 17, 2007, a warning letter was sent to Steeves. That letter, which clearly set out the registration requirements under the *Mortgage Brokers Act* (the "Act"), included the following information about the outcome of the investigation:
 - (a) Steeves had been introduced to J [REDACTED] and her husband (the "J [REDACTED]") as a contact for arranging a mortgage.
 - (b) Steeves obtained information and pictures from the J [REDACTED] regarding their property, including the approximate value.
 - (c) Steeves advised the J [REDACTED] that he could obtain a first mortgage for them.
 - (d) Steeves presented them with a financing offer through a mortgage brokerage.
 - (e) The J [REDACTED] gave Steeves a cheque for \$750 as a "brokerage fee."
 - (f) Subsequent documentation received by the J [REDACTED] suggested that Steeves received \$17,500 in fees from the transaction.

February 2009 and February 2011 Complaints

5. Staff received two further complaints of unregistered mortgage broker activity involving Steeves in, respectively, February 2009 and February 2011.

6. However, neither of these two complainants was willing to cooperate with the investigation. In early 2009, Staff attempted to engage Steeves in a pretext exchange, but that effort failed, too. As such, both investigation files were closed.

January 23, 2012 Complaint

7. On January 23, 2012, a registered submortgage broker forwarded, to Staff, an email Steeves had sent to her on January 13, 2012. In that email, Steeves was seeking mortgage financing on behalf of a client, [REDACTED] ("B [REDACTED]"). That email reads as follows:

"Hello, I have a mortgage but must move fast.

Client – [REDACTED] B [REDACTED]

Address – [REDACTED]...

BC Assessment is \$1.26M

Comparibles [sic] in the area are \$1.4M to \$1.6M

He has a 1st with RBC for \$844K at 2.9% as he is VERY solid.

He needs \$200K fast to buy Inventory.

Please Contact me on this matter

Thx.

Bennett B. Steeves

Finance Broker

Corporate Data Agent..."

8. B [REDACTED], together with [REDACTED] B [REDACTED], is the registered owner of property located at [REDACTED] in North Vancouver, British Columbia (the "[REDACTED] Property").
9. On March 14, 2012, investigator Sharon Park ("Park") spoke with B [REDACTED] who advised as follows:
- (a) B [REDACTED], who needed money, was referred to Steeves by a realtor.
 - (b) B [REDACTED] called Steeves who said that he could arrange a loan for him.

- (d) The process took longer than anticipated. Steeves then introduced B [REDACTED] to Perry Askounis ("Askounis"), who did get him a loan. Subsequent investigation showed that Askounis is a registered submortgage broker with Mandate Management Corporation ("Mandate").
- (e) Steeves collected \$1200 from B [REDACTED] which was for lawyer's fees, an appraisal and "some other things", which Steeves said would be reimbursed. To date, the \$1200 has not been reimbursed to B [REDACTED].
- (g) B [REDACTED] met with Steeves at least 6 or 7 times.
10. B [REDACTED] provided Park with a series of email exchanges he had with Steeves, which detailed the dealings they had. Relevant portions of these exchanges are set out below:
- (a) January 12, 2012
- Steeves wrote B [REDACTED] as follows:
- "...I understand you require funds asap. You have come to the right place. My direct lending partners Jack, Robert and Zane are always looking for new deals and we can fund in 3 days.
- I have been an Investor Relation Broker for 15 yrs and have a track record that beats all other brokers. My approach is to be honest of the situation, have the funds so there is no shopping required and close fast...
- Bennett B. Steeves
 Corporate Document Agent
 Finance Broker
 Vancouver, BC
 V3S 1C4
benncapital@yahoo.com"
- (b) January 14, 2012 at 12:14 PM
- Steeves wrote B [REDACTED] as follows:
- "...We will proceed Monday AM. I will tell you exactly what we need. The funds are available now."
- (c) January 14, 2012 at 3:06 PM
- Steeves wrote B [REDACTED] as follows:
- "...I have a follow up meeting tomorrow as your lender has left the funds here so we can wrap up your deal by Tuesday/Wednesday..."
- (d) January 15, 2012

Steeves wrote B [REDACTED] as follows:

"...I will have to stop by again this AM as we are proceeding without an Bank's reistered [sic] APPRAISAL.

We will have Ian simply drive by and take a peek at the house from his car so we can move faster for your needs."

(e) January 16, 2012

Steeves wrote B [REDACTED] as follows:

"Ok, I need you to print off some kind of application of any kind and fill it out today. I need a personal statement from you with your SIN number, Birthdate [sic] and address at the top of it then list your assets no matter how small or large.

I need your INCOME FROM YOUR BUSINESS OR OTHER.

I need you to call the Bank and get your Mortgage Balance as of Wednesday.

We need a copy of your house insurance."

(f) January 16, 2012

B [REDACTED] wrote Steeves, attaching a copy of his current mortgage statement, summary of personal information (including SIN number, assets and income) and copy of his home insurance policy.

(g) January 17, 2012 at 11:16 AM

Steeves wrote B [REDACTED] as follows:

"Hello, I am still waiting for Jack to contact me. If he does not by 12pm, I will contact his Attorney and have another partner sign for the \$200K plus.

I know there was a problem with court yesterday and waiting to see if I need to contact my secondary lending partner.

KEEP IN MIND.

Without tax returns, showing all income and your high 1st mortgage, this would be denied at the Bank or it would take 3 weeks.

1-2 days delay here is not the end of the world."

(h) January 17, 2012 at 11:33 AM

Steeves wrote B [REDACTED] as follows:

"Truth, I am the best in the business. This deal is 100% approved already, the court troubles for a client of the lender is the only reason.

I will be back soon.

No worries and don't panic as we are all men of our word.....and our track record shows it.

Again, at least your [sic] with us and not the Bank or some half assed outfit who would string you along for fees then back out..."

(i) January 19, 2012

Steeves wrote B [REDACTED] as follows:

"VERY IMP.

News laws [sic] state before funding a signed and filled out application must sent [sic] to the office. This is kind of backwards [sic] but let's do it fast and get the funds."

Attached to this email was a blank mortgage application for B [REDACTED] to complete.

(j) January 19, 2012

B [REDACTED] wrote Steeves, attaching the completed mortgage application.

(k) January 20, 2012

Steeves wrote B [REDACTED] as follows:

"6777622207 BC Ltd.
David [REDACTED] and Associates
Vancouver, BC
V3X 1C4
c/o Bennett B. Steeves
Bennstreet Capital Corp.

COMMITMENT LETTER

Borrower: Mr. [REDACTED] B [REDACTED]

Legal Address: [REDACTED]

Amount of Loan: \$200,000.00CDN ((Two Hundred Thousand Canadian Dollars)

Term: 12 months

Interest: 7-9%

Conditions: 1st Mortgage not to exceed \$850,000.00

Inspection: Completed

Broker Fees: Paid at closing of 3%

Commitment to Fund Fee: \$1000.00CDN (Refundable at closing) Paid \$350 x 2 plus On-site Inspection of \$150.00CDN. Amount owing of \$150CDN.

Closing date expected January 23/2011 after both parties have signed the Commitment Letter.

Yours truly,

DAVID [REDACTED] WALT [REDACTED] JACK [REDACTED]"

A BC Online search conducted by Park on May 7, 2012 indicates that neither 6777622207 BC Ltd. nor David [REDACTED] and Associates are registered companies in British Columbia.

(l) January 24, 2012

Steeves wrote B [REDACTED] as follows:

"Hello [REDACTED] and I am heading out for a meeting with your lender.

I was VERY frustrated [sic] today as my deals have never taken more than 10 days EVER to fund as I am in direct contact with the funds personally...

IMP – Even though we have been offered 2 other approvals* (as a backup) at \$88k and \$110K, I am aware that those numbers don't work so it is imp we stay where we are..."

(m) January 24, 2012

B [REDACTED] wrote Steeves expressing concern about what was occurring.

(n) January 25, 2012

Steeves wrote B [REDACTED] as follows:

"...I am a little taken back form [sic] your email as I have said it is approved and done but the lending office is to blame for the delay. One woman their [sic] with 11 deals.

Unfortunately, my initial Lending partner is now in Toronto, Ontario...so I had to work with a slower runner up.

I know it is frustrating [sic] but the other options through ALPINE CREDITS, GET ACCEPTANCE, PIONEER WEST AND OTHER COMPANIES will need tax returns and with 87% equity will offer you less than \$100K.

I will pound on all doors and make the necessary calls this AM.

Stick with me. It's the best thing."

(o) January 30, 2012

Steeves wrote B [REDACTED], forwarding an email he had written to Askounis earlier that day. The email to B [REDACTED] attached a Mandate National Mortgage Corporation Statement of Affairs which B [REDACTED] completed and returned to Steeves on January 30, 2012 for his review.

(p) January 31, 2012

Steeves wrote B [REDACTED] as follows:

"...Sign it and sent it over asap...

Again sorry for the delay but the onus is completley [sic] on my lending partner...

Good news is you have already paid the \$1000.00 (which you will be re-funded) and now we have the 3 lenders doing the deal which we are pushing through a good friend of mine Perry Askounis..."

(q) February 3, 2012

Steeves wrote B [REDACTED] as follows:

"...I spoke to [Askounis] and ALL 3 lenders are proceeding with paperwork. [Askounis] is pushing. hard [sic].

I will call him today at 430pm to pound.

I wish my original team did not go to T.O. but we are at the 2nd best group in the City by far, no question.

We will recover the funds you paid shortly my freind [sic].

We will recover the funds you paid shortly my friend..."

11. Through Askounis, B [REDACTED] ultimately obtained mortgage financing in the amount of \$210,000. The lender, No. 256 Cathedral Ventures Ltd., registered a second mortgage on title to the [REDACTED] Property on February 13, 2012.

12. On February 14, 2012, Askounis wrote to Steeves, enclosing two cheques totaling \$1,750. This letter read as follows:

"Re: B [REDACTED] and B [REDACTED] – 2nd Mortgage of \$210,000 to No. 256 Cathedral Ventures Ltd. over [REDACTED]

Please find enclosed two cheques (as requested) for a total of \$1,750.00 representing your referral fee on the above transaction."

13. Over the course of the transaction, and as noted at paragraph 9, B [REDACTED] had provided Steeves with three cheques as follows: cheque in the amount of \$350 (cashd January 15, 2012); cheque in the amount of \$350 (cashd January 18, 2012); and cheque in the amount of \$150.00 (cashd January 20, 2012). An undated document, signed by both B [REDACTED] and Steeves identifies these payments as follows:

"This is to certify that myself [REDACTED] B [REDACTED] and Bennett B. Steeves are engaged in business for \$240,000 loan which is pre-approved and will be available by Friday 20 January, 2012.

So far I have paid \$350.00 x 2 = \$700.00 for attorney fees. And \$150.00 for taking photos of the house which shall be reimbursed in full on Friday."

As of May 9, 2012, Steeves had neither provided B [REDACTED] with copies of any photos of the home, nor has the amount paid been reimbursed.

14. On May 3, 2012, Park met with Askounis at his office, at which time he advised as follows:
- (a) Askounis' understanding of Steeves' business is that he arranges loans.
 - (b) Askounis paid Steeves a referral fee of \$1750 on the B [REDACTED] transaction.
 - (c) Steeves occasionally contacts Askounis with potential clients, but B [REDACTED]'s mortgage is the only one which has panned out.

Applicable legislation

15. Section 1 of the Act provides the following definitions:

“mortgage” includes every instrument by which

- (a) land in British Columbia,
- (b) for the purposes only of paragraphs (c) and (f) of the definition of “mortgage broker”, sections 14.1 and 17.4 and Division 3 of Part 2, land, whether or not in British Columbia,

is in any manner, conveyed, assigned, pledged or charged as security for the payment of money or money's worth to be reconveyed, reassigned or released on satisfaction of the debt, but does not include an agreement for sale of or a right to purchase land or an interest in land;

“mortgage broker” means a person who does any of the following:

- (a) carries on a business of lending money secured in whole or in part by mortgages, whether the money is the mortgage broker's own or that of another person;
- (b) holds himself or herself out as, or by an advertisement, notice or sign indicates that he or she is, a mortgage broker;
- (c) carries on a business of buying and selling mortgages or agreements for sale;
- (d) in any one year, receives an amount of \$1 000 or more in fees or other consideration, excluding legal fees for arranging mortgages for other persons;
- (e) during any one year, lends money on the security of 10 or more mortgages;
- (f) carries on a business of collecting money secured by mortgages;

16. Section 8(1.4) of the Act provides as follows:

8(1.4) After giving a person an opportunity to be heard, the registrar may do one or more of the following:

- (a) order the person to cease a specified activity;
- (b) order the person to carry out specified actions that the registrar considers necessary to remedy the situation;
- (c) order the person to pay an administrative penalty of not more than \$50,000;

if, in the opinion of the registrar, the person was or is carrying on business as a mortgage broker or submortgage broker without being registered as required by this Act.

17. Section 8(1.4) of the Act only came into force on October 29, 2009. Prior to that, all unregistered activity had to be pursued under the offence provisions found in sections 21 and 22 of the Act.

18. Section 8(2) of the Act provides as follows:

8(2) If the length of time that would be required to give a person an opportunity to be heard under subsection (1), (1.2), (1.3) or (1.4) would, in the registrar's opinion, be prejudicial to the public interest, the registrar may, without giving the person an opportunity to be heard, suspend a registration under subsection (1)(a) or (1.3)(a) or make an order under subsection (1)(c) or (d), (1.2)(a), (1.3)(c) or (d) or (1.4)(a) or (b).

19. Section 21(1)(a) of the Act provides as follows:

21(1) Unless exempted under section 1, a person must not do any of the following:

- (a) carry on business as a mortgage broker or submortgage broker unless the person is registered under this Act;

...

AND WHEREAS I AM THEREFORE OF THE OPINION THAT:

1. Bennett Steeves is also known as Basil Steeves.
2. Steeves has received fees in excess of \$1000 for arranging a mortgage for another person. Specifically, he was paid \$1,750 for his part in arranging a

mortgage for B [REDACTED]. This fact alone places Steeves within the definition of "mortgage broker" in section 1 of the Act.

3. Consequently, Steeves is currently conducting mortgage broker activity in British Columbia without being registered to do so, contrary to section 21 of the Act. In addition to receiving fees for arranging the B [REDACTED] mortgage, I note that Steeves has engaged in the following essential aspects of that mortgage transaction:

- (a) Steeves indicated that he could arrange a mortgage for B [REDACTED].
- (b) Steeves indicated to B [REDACTED] that he was working with lenders to get him the loan he needed.
- (c) Steeves obtained necessary information from B [REDACTED] (i.e. information about his assets, a current statement from the first mortgagee and proof of insurance) in support of the mortgage loan being sought.
- (d) Steeves sought mortgage financing on behalf of B [REDACTED] from at least two registered submortgage brokers (the complainant and Askounis).
- (e) According to his email correspondence with B [REDACTED], Steeves was meeting with lenders on B [REDACTED]'s behalf.
- (f) Steeves provided B [REDACTED] with the mortgage commitment letter from David [REDACTED], Walt [REDACTED] and Jack [REDACTED].
- (g) When that deal fell through, Steeves referred it to Askounis.
- (h) Steeves forwarded the Mandate National Mortgage Corporation Statement of Affairs to B [REDACTED], had him complete and sign it and return it to him (Steeves). Presumably, Steeves, in turn, provided this to Askounis.

I THEREFORE CONSIDER THAT Steeves is conducting himself in a manner that would enable me to make an order under section 8(1.4).

I AGREE with Staff that a hearing of this matter would involve several witnesses, and would take approximately five days to complete and could not be held for at least three months due to scheduling of, witnesses, counsel and the hearing officer.

I FIND that the length of time that would be required to hold a hearing in order to make an order under section 8(1.4) would be detrimental to the due administration of the Act. Steeves, by engaging in unregistered mortgage broker activity, has undermined the integrity of the mortgage broker industry in British Columbia. Furthermore, this is not the first time that Steeves' activities have come to the attention of Staff. Steeves was warned explicitly about the registration requirements for mortgage brokering in this province in 2007. In spite of that warning, he has continued engaging in activities for which registration is required.

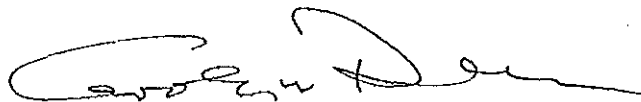
I AM FURTHER OF THE OPINION that it is in the public interest to make a summary order under section 8(1.4)(a) and 8(2) of the Act so that the public is protected against further non-compliance with the Act's provisions.

I THEREFORE ORDER, pursuant to sections 8(1.4)(a) and 8(2) of the Act that Bennett Steeves, aka Basil Steeves:

Cease and desist engaging in unregistered mortgage broker activity in the Province of British Columbia, effective immediately, unless and until he becomes registered to do so under the provisions of the Act.

TAKE NOTICE that Steeves may, under section 9 of the Act, appeal this Order to the Financial Services Tribunal.

Issued this 14 day of June, 2012
at Vancouver, British Columbia



Carolyn Rogers
Registrar of Mortgage Brokers
Province of British Columbia

TO: Bennett Steeves
aka Basil Steeves

