



IN THE MATTER OF: THE REAL ESTATE BROKERS ACT

- and -

IN THE MATTER OF: RAHIM OMAR MIRZA

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

STAFF OF THE MANITOBA SECURITIES COMMISSION ALLEGE, AMONG OTHER THINGS, THAT:

A. REGISTRATION

1. Rahim Omar Mirza ("MIRZA") is a resident of the City of Winnipeg, in the Province of Manitoba.
2. MIRZA's registration history under *The Real Estate Brokers Act* ("REBA") and *The Real Estate Services Act* ("RESA") is as follows:

Under REBA:

Salesperson

October 6, 2015 to June 1, 2020

Employing Broker

Royal LePage Dynamic
Real Estate (4395612
Manitoba Ltd. o/a)

Employing Broker

June 1, 2020 to December 31, 2021

Re/Max One Group
(Broke Rage Ltd. o/a)

Under RESA:

Salesperson

January 1, 2022 to October 5, 2022

Employing Broker

Re/Max One Group
(Broke Rage Ltd. o/a)

October 12, 2022 to Present

Re/Max One Group
(Broke Rage Ltd. o/a)

3. At all material times, Rahim Omar Mirza ("MIRZA") was registered as a real estate salesman under *The Real Estate Brokers Act* (REBA) ("the Act") with Royal LePage Dynamic Real Estate (4395612 Manitoba Ltd. o/a) ("ROYAL LEPAGE") as his employer. MIRZA is currently registered

as a real estate salesperson under RESA. Together, REBA and RESA are jointly referred to herein as "the Legislation".

4. At all material times, ROYAL LEPAGE was registered as a broker under the Act Legislation.
5. At all material times, ROYAL LEPAGE was a member of The Manitoba Real Estate Association Inc. ("MREA") and therefore participated in the Real Estate Reimbursement Fund ("Fund").

B. DETAILS

6. MP owned a condominium unit, 759 McMillan Avenue, Unit 1 in the City of Winnipeg ("the Condo"), being the lower unit of a two-unit condo in what was formerly a single-family house. On June 4, 2018, MP signed and dated a listing agreement with MIRZA effective for the period of July 3, 2018 to November 4, 2018 to sell the Condo.
7. On July 7, 2018, an offer to purchase the Condo was submitted by salesperson LT on behalf of her clients DM and CM. The offer to purchase was subject to, *inter alia*, a home inspection.
8. The property disclosure statement dated July 8, 2018 signed by MP and provided by MIRZA to LT on behalf of DM and CM stated that the seller MP was not aware of any cracking, shifting or movement of the structure including the foundation walls and basement floor that was not readily visible.
9. LT approached MIRZA and asked for an extension to bring in a foundation contractor and DM and CM then commissioned a report from a foundation contractor, which disclosed problems with the front foundation wall.
10. Upon receiving the foundation contractor's report, DM and CM did not proceed with the sale due to the problems with the foundation.
11. MIRZA re-listed the Condo for sale.
12. On October 12, 2018, MIRZA and AK entered into a limited joint representation agreement.
13. Also on October 12, 2018, MIRZA showed AK and MS the Condo. MS had previously done renovation work for AK at other properties.

14. While viewing the Condo's basement with MIRZA and MS, AK asked MIRZA whether there were foundation issues. MIRZA responded "not that I'm aware of".
15. AK put in an offer on the unit, which was accepted, and she took possession of the Condo on November 14, 2018.
16. AK became aware that the Condo's foundation had significant problems.
17. On March 3, 2019, AK met with the owner of the other unit of the Condo, JF. JF provided AK with the home inspection report commissioned by DM and CM, which he had received from LT. He JF also gave AK copies of two emails, one dated June 12, 2018, and a reply to the June 12, 2018 email dated July 13, 2018. MIRZA had been copied on the July 13, 2018 reply email, which was correspondence between JF and Mirza's client, the prior owner and seller of the Condo, MP.
18. In the June 12, 2018 email, JF stated "are we going to get that structural engineer to come in to look at the foundation?...I assume we do have some big structural issues so I was thinking that should be something we do regardless of who you may sell to." MP replied on July 13, 2018 "Here I introduce Rahim Mirza, agent for the sale...I don't believe the structural issues will be so dire that I would be sued. Having said that, the agent would like to meet you as, potential new occupants wanted to inquire about use of the basement..."
19. On October 22, 2018, MIRZA texted AK "...just wanted to reiterate the fact that the condo building was 100% re-done in 2003 and the roof is 2015".
20. On October 25, 2018, MIRZA texted AK "we've had two other accepted offers since we listed it and those simply fell through because the buyers credit wasn't good enough to get a mortgage."
21. On December 18, 2019, MSC Staff emailed correspondence to MIRZA requesting details relating to structural or foundation issues with respect to the sale of the Condo to AK and for copies of any disclosures made by the seller with respect to the sale. In his response to Staff dated January 2, 2020, MIRZA stated that he was unaware of any preexisting structural or foundation issues from the seller, his client MP, the previous owner, and that he had made no disclosures in that regard to AK.

22. On March 4, 2021, Mirza was interviewed at the Manitoba Securities Commission by two investigators, JR and AT. At that time, MIRZA again stated that he was unaware of any preexisting structural or foundation issues from the previous homeowner.

C. ALLEGATIONS

23. Staff of the Commission allege that MIRZA in connection with a trade or transaction in real estate committed "fraudulent acts" within the meaning of the Act Legislation ~~as defined in section 4~~ in that:

- (a) he intentionally misrepresented a material fact by his conduct in not disclosing foundation issues to the purchaser AK when she asked him on October 12, 2018 in contravention of clause (a) of the definition; and/or,
- (b) he intentionally misrepresented a material fact by word when he texted AK that "the condo building was 100% re-done in 2003..."; and/or,
- (c) he intentionally misrepresented a material fact by word when he texted AK that "we've had two other accepted offers since we listed it and those simply fell through because the buyers credit wasn't good enough to get a mortgage"; and/or,
- (d) he intentionally misrepresented a material fact by word when he made false statements to Staff; and

due to his intentional, material misrepresentations of this material fact, AK purchased the Condo and subsequently paid \$34,535.00 to repair the Condo foundation, and the Commission should order the MREA to pay out of the Real Estate Reimbursement Fund the amount of \$34,535.00 to the benefit of AK pursuant to ~~subsection 39.1 of the Act,~~ the Legislation, and furthermore that:

- (e) his conduct was improper in that he failed to act in the best interests of his client AK under the limited joint representation agreement;

and still further that due to these allegations it is in the public interest that his registration under the Act Legislation be suspended or cancelled.

24. Such further and other matters as counsel may advise and this Commission permits.



THE MANITOBA
SECURITIES
COMMISSION

DATED at Winnipeg, Manitoba this 10th day of July, 2023.

AMENDED this 30th day of August, 2023.

Chris Besko, Director

TO: RAHIM OMAR MIRZA

**AND TO: The Reimbursement Fund
c/o The Manitoba Real Estate Association Inc.**