

## **S/N 6/2017 – Deceiving the Landlords about the Identity of the Tenant/Occupant and Misrepresenting to the Tenant/Occupant that the Landlords Agreed to Let Her Lease the Property**

### **Facts of Case**

The Respondent was engaged by the landlords of a condominium unit (the “**Property**”) to source for a tenant. The Respondent was approached by salesperson Y to arrange for a viewing for her client, X, who was a singer/manager at a nightclub.

After viewing the property, X was interested in leasing the Property and salesperson Y passed a Letter of Intent for a one-year lease of the Property at a monthly rent of \$3,600, to the Respondent, on X’s behalf. The landlords considered the Letter of Intent and were concerned, *inter alia*, about X’s profile as a singer/manager of a nightclub and decided to reject X’s offer. In the Letter of Intent rejected by the landlords, X also had a number of refurbishing requests. The Respondent then informed Salesperson Y of the landlords’ decision.

Around the same time, the Respondent sent the landlords text messages regarding a new potential tenant, Z. In her text messages, the Respondent stated that the new potential tenant was not X, was married to a Greek, was her colleague’s tenant who had been looking for a unit for the past one week and was presently staying in a hotel. The landlords then instructed the Respondent to proceed with the lease to Z. At all material times, the landlords were not aware that Z was actually Salesperson Y, who had never intended to reside in the Property.

Thereafter, the Respondent met with X and salesperson Y. The Respondent prepared two tenancy agreements for the Property. In one tenancy agreement, the tenant’s name was reflected as X (“**X’s TA**”). In the other tenancy agreement, the tenant’s name was reflected as Z (“**Z’s TA**”). X signed off on the X’s TA and handed the security deposit of \$3,600 to salesperson Y, who passed it on to the Respondent. X also paid Salesperson Y commission of \$1,800. On Z’s TA, Salesperson Y signed off as the tenant. The Respondent then passed Z’s TA and the security deposit to the landlords, who paid the Respondent a commission of \$1,800. At all material times, X was not aware of Z’s TA and the landlords were not aware of X’s TA. Both X’s TA and Z’s TA provided for the rental of the Property for one year, at a monthly rental of \$3,600.

Thereafter, the Respondent helped X to throw away the landlords’ furniture so that X could refurbish the Property. Salesperson Y also helped X purchase items for X’s refurbishing. X subsequently moved into the Property.

Towards the end of the one-year tenancy, the landlords engaged another salesperson to market the Property for rent. At this time, it was discovered that Z was actually Salesperson Y. The landlords also discovered that their Property was refurbished in a way that matched X’s refurbishing requests in her Letter of Intent, and a number of

their original furniture had been thrown away. They also discovered defects caused to the Property which would require an estimated amount of \$700 to reinstate. The landlords wrote in to Singapore Power and was informed that X was the applicant for their services for the Property. It transpired that X, and not Z or Salesperson Y, had resided in the Property. There was also an outstanding one month rent of \$3,600 that was not paid. As a result, the landlords forfeited the security deposit.

The Respondent had failed to protect her client's interests when she deceived her client by playing an active part in perpetuating the fraud and concealing the same from her client. The Respondent knew that the misrepresentations she made were false.

The DC noted that the Respondent had admitted to the charges at an early opportunity.

## **Charges**

The Respondent faced the following 4 charges:

### **Charge 1**

Misrepresenting to the landlords that Z is a new tenant and not X, that Z is married to a Greek and was the Respondent's colleague's tenant who had been looking for a unit for the past one week and is presently staying in a hotel, in contravention of paragraph 6(1) read with 6(2)(b) of the Code of Ethics and Professional Client Care.

### **Charge 2**

Withholding the relevant fact from the landlords that Z was in fact Salesperson Y, who was the salesperson representing X, whom the landlords had rejected as a tenant and occupant of the Property, in contravention of paragraph 6(1) read with 6(2)(d) of the Code of Ethics and Professional Client Care.

### **Charge 3 (Proceeded)**

Arranging for X to occupy the Property by deceiving the landlords that the Property was intended to be leased to and/or occupied by the Z instead of X, whom the landlords had rejected as a tenant and occupant of the Property, in contravention of paragraph 7(1) read with 7(2)(a) of the Code of Ethics and Professional Client Care.

### **Charge 4 (Proceeded)**

Misrepresenting to X, whom the landlords had rejected as a tenant and occupant of the Property, that the landlords had agreed to let her lease and

occupy the Property, in contravention of paragraph 6(3) read with 6(4)(c) of the Code of Ethics and Professional Client Care.

### **Outcome**

Pursuant to a plea bargain, the Respondent pleaded guilty to Charges 3 and 4 while Charges 1 and 2 were taken into consideration for sentencing purposes.

The DC imposed the following financial penalties and disciplinary orders on the Respondent:

**Charge 3:** A financial penalty of \$5,000 and a suspension of 5 months.

**Charge 4:** A financial penalty of \$2,000 and a suspension of 3 months.

The suspensions were ordered to run concurrently.

Fixed costs of \$1,000 were imposed on the Respondent.