

FOR IMMEDIATE RELEASE

12 DECEMBER 2013

**FIRST TWO SALESPERSONS SENTENCED
FOR MONEYLENDER REFERRAL**

Two former real estate salespersons, Mustafa Kamal Bin Seri (52 years old, Singaporean male) and Ghazali Bin Mohamed Rasul (39 years old, Singaporean male), were convicted and sentenced for referring their respective clients to moneylenders. Ghazali is also the first salesperson to be prosecuted by the Council for Estate Agencies (CEA) for money-lending offences.

2. Mustafa was sentenced in Court today to a combined total of 11 and a half months of imprisonment and a total fine of \$18,000. His sentence included an imprisonment of 2 weeks and a fine of \$15,000 for CEA charges for referring his clients to a licensed moneylender and a further fine of \$3,000 for handling transaction monies for his clients. He was also sentenced for two Police charges of cheating (in respect of which 2 concurrent imprisonment terms of 5 months were imposed) and one Police charge of criminal breach of trust as an agent (with regard to which 6 months' imprisonment was imposed).

3. Ghazali was sentenced to an aggregate fine of \$18,000 yesterday for referring his client to a licensed money lender and receiving a referral fee from the moneylender. Details of the charges against Mustafa and Ghazali are listed in the Annex.

About the Cases

Mustafa Kamal Bin Seri

4. CEA had charged Mustafa, a former registered salesperson with Your Estate Specialist LLP when he committed the offences, in Court on 29 May 2013. In February 2012, a married couple engaged Mustafa to sell their four-room HDB flat and purchase a three-room flat in Yishun. He subsequently approached his clients for a personal loan of \$50,000 and requested that they borrow the sum from a moneylender to advance him the loan and repay the moneylender using the sales proceeds of their flat.

5. Between February and April 2012, Mustafa brought his clients to a licensed moneylender, 168 Credit Pte Ltd, to obtain three separate cash loans totalling \$57,500. The couple handed \$50,000 to Mustafa after the money lender deducted \$7,500 as acceptance fees for the loans. After the sale transaction was completed in May 2012, the clients repaid \$79,925 to the moneylender from the sales proceeds. Sometime in July 2012, the husband handed Mustafa \$15,000 in cash, which Mustafa then handed to his clients' law firm in July 2012 to complete their purchase of the three-room HDB flat.

6. Mustafa's case was aggravated as he had caused his clients to be indebted to a moneylender while he used the loan for his own benefit. As a result, his clients could not afford to renovate their new flat to make it habitable. They did not have the financial means to rent another home or to make other suitable arrangements and had to move into their resale flat in its existing state. They had to endure the situation for a few months before other agencies helped them with basic renovations for their flat. Mustafa's offences had caused great detriment to his clients.

Ghazali Bin Mohamed Rasul

7. CEA had also charged Ghazali, an ex-registered salesperson with PropNex Realty Pte Ltd when he allegedly committed the offences, in Court on 21 December 2012. Sometime in June 2011, Ghazali introduced his client to a licensed

moneylender for an initial loan of \$7,000. Ghazali told the moneylender that his client would be able to repay the loan as he was selling his flat and he (Ghazali) was the salesperson handling the transaction. The licensed moneylender gave the client \$6,300 after deducting \$700 as an upfront fee. The moneylender gave Ghazali a payment of \$150 as referral fee. The client approached the moneylender for further loans. After the sale transaction was completed in October 2011, the client repaid a total of \$26,500 to the moneylender from the sales proceeds.

8. Ghazali had exposed his client to the risks of indebtedness to the latter's detriment, even though his client had told him that he was in serious financial difficulties. His client had to repay the loans from the moneylender using proceeds from his flat's sale transaction, in addition to paying the commission for the sale transaction to Ghazali. Subsequently, his client was unable to afford a replacement flat as he could not get a loan from HDB or any bank. Since then, he has been renting a flat from the open market and risks becoming homeless once his savings have been depleted.

9. Ghazali was sentenced to a fine of \$10,000 for referring his client to a licensed moneylender and a fine of \$8,000 was imposed on him for collecting a referral fee from the moneylender.

Advice for Consumers

10. CEA does not condone any collusion with moneylenders or involvement in moneylending activities by estate agents and salespersons. Estate agents and salespersons should not be involved in moneylending activities or abet unlicensed moneylenders in their criminal activities. They are not allowed to refer a client to any moneylender or receive any commission or other benefit from any moneylender relating to moneylending transactions. Consumers are advised to report to CEA on any estate agent or salesperson who works in collusion with a moneylender. They can lodge a report with CEA at 1800-643 2555 or feedback@cea.gov.sg.

11. Consumers are also advised not to hand transaction monies to their salespersons. In a property sale and purchase transaction, transaction monies

include option fee, downpayment, stamp duties, deposits and sales proceeds. Valuation fees and commissions are not transaction monies.

12. For more consumer tips and reference resources, consumers can visit the online Consumer Resource Centre on the CEA website: www.cea.gov.sg/consumerresources.

About Council for Estate Agencies

The Council for Estate Agencies (CEA) is a statutory board established under the Estate Agents Act to regulate and promote the development of a professional and trusted real estate agency industry. The key responsibilities of CEA are to license estate agents and register salespersons, promote the integrity and competence of estate agents and salespersons, and equip consumers with the necessary knowledge to make informed decisions in property transactions. For more information, please visit: www.cea.gov.sg

CEA's CHARGES AGAINST MUSTAFA KAMAL BIN SERI

Mustafa Kamal Bin Seri was sentenced in Court under the Estate Agents Act (EAA) 2010 for the following two charges of offences committed while he was a salesperson with estate agent Your Estate Specialist LLP:

- (a) One charge under Regulation 6(1)(a) of the EAA 2010, for referring his clients to a licensed moneylender, 168 Credit Pte Ltd, to take up 3 loans totalling \$57,500; and
- (b) One charge under Regulation 7(1)(a) of the EAA 2010, for handling money amounting to \$15,000 for his clients to pay to their solicitors for the completion of their purchase of a three-room HDB flat.

A third charge for handling money for his clients, receiving on their behalf a sum of \$3,000 from the buyer in relation to their sale of their four-room HDB flat was taken into consideration.

CEA's CHARGES AGAINST GHAZALI BIN MOHAMED RASUL

Ghazali Bin Mohamed Rasul was sentenced in Court under the Estate Agents Act (EAA) 2010 for the following two charges of offences committed while he was a salesperson with estate agent Propnex Realty Pte Ltd:

- (a) One charge under Regulation 6(1)(a) of the EAA 2010, for introducing his client to a moneylender AM Credit; and
- (b) One charge under Regulation 6(1)(b) of the EAA 2010, for receiving a payment of \$150 from a moneylender AM Credit for his referral of his client who took a loan from the moneylender.

