

MEDIA RELEASE

FOR IMMEDIATE RELEASE

15 March 2013

CEA DISCIPLINES SALESPERSON WITH 6 MONTHS' SUSPENSION AND \$10,000 FINE

The Disciplinary Committee (DC¹) formed by the Council for Estate Agencies (CEA) has concluded the disciplinary proceedings against salesperson, Chua Cheng Tian, Benny on 26 February 2013.

2 The DC convicted Chua of 3 charges for breaching the Code of Ethics and Professional Client Care in handling the property transaction for his clients. Chua was sentenced to suspension of 6 months and an aggregate financial penalty of \$10,000. Fixed costs of \$1,000 were awarded to CEA.

3. Under CEA's disciplinary framework, salespersons who breach the Code of Ethics and Professional Client Care may face disciplinary action. The DC may, upon determination of the breach, revoke or suspend his registration and/or impose a financial penalty of up to \$75,000 or reprimand the salesperson.

About the Case

4. Chua, age 54 is a registered salesperson of ERA Realty Network Pte Ltd and has been practising as a salesperson for about 17 years.

¹ A DC comprises members who are nominated from the disciplinary panel which includes Legal Practitioners and other professionals or individuals from the real estate industry.

5. Chua was appointed by his clients as their salesperson to sell their property on an exclusive basis. It was agreed that a commission of 1% of the selling price (exclusive of GST) would be payable by the clients on a successful sale, within the agreed period.

6. Chua advertised and marketed the property, contrary to his clients' best interest, through his understudy salesperson on a 'Buyer only' (or no co-broke) basis. He also stated a wrong block number on the advertisement to sieve out unrepresented buyers from salespersons. Further, he did not disclose to his clients that he had a personal interest, by way of overrider, in having the property sold to his understudy's clients.

About the Charges

7. The 3 charges filed against Chua, on which he was convicted:

a. Failure to disclose potential conflicts of interest - The DC imposed a financial penalty of \$4,000 and suspended him as a salesperson for a period of 6 months. Salespersons have a duty to avoid any potential conflicts of interests that may not be in the best interests of their clients. Chua was representing his client to sell their property and he has to act in their interest by considering all potential buyers and obtaining the best sale price for his client's property. However, he had a potential conflict of interest in representing the sellers as the salesperson but had an understudy salesperson who was representing the buyers. Chua was entitled to 6% of the commission paid by the buyer if the property was sold to the buyer represented by his understudy salesperson. Chua therefore had a personal interest if the property was sold to the buyer represented by his understudy and had failed to declare this potential conflict of interest to his clients.

b. Failure to act in the best interest of his clients – The DC imposed a financial penalty of \$4,000 and suspended him as a salesperson for a period of 6 months. The intent of Chua's advertisements, with the words 'Buyer only' indicated, was to target and limit exposure to only buyers and such basis of advertisement and marketing was not in the sellers' interest as salespersons

(who were representing potential buyers) were not entertained and thus the scope of exposure of the property in the market was limited.

c. Placing inaccurate advertisement – The DC imposed a financial penalty of \$2,000 and suspended him as a salesperson for a period of 3 months. All advertisements placed by salespersons must not cause or allow inaccurate, false or misleading offer, statement, representation, claim or information. Chua had indicated a wrong block number in the advertisement. Although the sellers highlighted to Chua that the wrong block number was indicated on the advertisement, the error was not rectified in a subsequent advertisement.

8. In total, the financial penalty imposed on Chua in reference to the 3 charges is \$10,000. The suspension orders for all 3 charges were ordered to run concurrently with effect from 15 March 2013. In addition, the DC has ordered Chua to pay CEA costs of \$1,000.

Advice for Consumers

9. Consumers are advised to use CEA's Public Register at www.cea.gov.sg to check the registration details of the salesperson before engaging his or her services. Useful consumer information are available at CEA's Consumer Resource Centre at <http://www.cea.gov.sg/cea/content/consumer/consumerresources.html>.

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.