

nova scotia real estate COMMISSION



Annual Report 2014

Nova Scotia Real Estate Commission

Notice of Annual General Meeting

NSAR Auditorium, 7 Scarfe Court, Dartmouth

April 17, 2015
10:00 AM - 12:00 PM

Agenda

1. Call to Order— Chairperson Dennis Richards
2. Introduction of Head Table—Dennis Richards
3. Commission Chairperson's Report—Dennis Richards
4. Finance & Recovery Fund—Lisa White
5. Licensing Committee—Charlie Pace
6. Complaint Review Committee—Robert Wambolt
7. Discipline Committee—Ryan Brennan
8. Commercial Committee—Bill MacAvoy
9. Election procedures—Dennis Richards
10. Address by nominees—Anthony Brown, Mary Clark, Al Demings, and Marc Doucet
11. Election—Dennis Richards, scrutineers Nicole Kreiger and Tony Robinson
12. Open Forum—this will be an opportunity for industry members to ask questions for the Commission's comments or to bring forward items for the Commission to consider in their upcoming discussions
13. Adjournment

Table of Contents

Our Board of Directors	4
Message from the Chair	5
Message from the Registrar	6
Licensing Committee	7
Complaint Review Committee	8
Discipline Committee	9
Audits and Investigations	10
NSREC Mandatory Forms Committee	10
Commercial Committee	11
Finance Committee	11
Recovery Fund	12
Election Procedures	12
Commissioner nominees	13
Financial statements of the Nova Scotia Real Estate Commission	14
Budget 2015	25
Staff contact list	26
Proxy Form	27

Our Board of Directors



Front: Dennis Richards, Chairperson, Jessica May, Lisa White, Brad Chishom, Registrar. Back: Charlie Pace, Bill MacAvoy, Ryan Brennan, Gary Morse, Gregg Yeadon. Absent: Paul Doucet, Robert Wambolt
Photo Credit: Adams Photography

Name	Term	Appointment	Location	Brokerage/employer	Attendance*
Robert Wambolt	April 2017	NSAR	St. Peters	Harvey Realities Limited	5/5
Dennis Richards	April 2016	NSAR	Dartmouth	Century 21 Trident Ltd.	5/5
Charlie Pace	April 2015	NSAR	Halifax	Harbourside Realty Ltd.	5/5
Gary Morse	April 2017	Elected	Kentville	Royal LePage Atlantic	5/5
Lisa White	April 2016	Elected	Halifax	Evolution Real Estate Services	5/5
Paul Doucet	April 2015	Elected	Halifax	Royal LePage Atlantic	4/5
Bill MacAvoy	May 2017	Commercial	Halifax	Commercial Eastern Inc. DBA Cushman & Wakefield Atlantic	2/3
Jessica May	December 2017	Public	Truro	Kaulback May	1/1
Gregg Yeadon	August 2016	Public	Dartmouth	Livingstone & Company	5/5
Ryan Brennan	December 2015	Public	Halifax	Clyde A. Paul & Associates	4/5

*The attendance record of the Commissioners serving on the Nova Scotia Real Estate Commission between January 1, 2014 and December 31, 2014. There were a total of five Commission meetings held.

*This column shows how many meetings each Commissioner attended and how many they were expected to attend.

Message from the Chair

Report for 2014



Dennis Richards
Chairperson

I am pleased to again submit the annual report as chair of the Commission Board of Directors.

Each year following the AGM, the board elects the chair and vice chair from its members to serve one-year terms. I was honoured to be elected for a second term, along with Paul Doucet as vice chair, to serve in this capacity. During the AGM at least one new board member is elected or re-elected and another is appointed or reappointed for a three-year term. In 2014, Managing Associate Broker Gary Morse was elected by acclamation at the AGM, Associate Broker Robert Wambolt was appointed by the NSAR for a second term, Jessica May, a lawyer, was appointed by government, and Broker Bill MacAvoy was appointed by the Commercial Committee.

After the Chairs of the various committees are chosen, we appoint industry and public members to serve one-year terms on the committees and task forces to carry out the mandate of the Commission. We are fortunate to have such dedicated members offer their time and their talents.

The strategic plan adopted in 2013 continues to be the main focus of our board.

The first strategic goal was to redraft the Real Estate Trading Act to ensure our legislation is current with modern-day real estate practices. The Legislative Review Committee met for several hours every week with legal counsel, Marjorie Hickey, Q.C., to review each section and clause to create a modern template of governance for our industry for the foreseeable future. We then provided a draft to the industry and various stakeholders for their review and comment and then a final draft was delivered to the Superintendent of Real Estate. Government has indicated we are on track for the legislation to be introduced to House in the fall of 2015. The task-force work, however, is continuing and we are now drafting changes to the Commission's Bylaw and policy to complement and complete the new Real

Estate Trading Act. We are looking forward to walking the industry through the legislation once it is enacted.

The second strategic goal was to update industry entrance requirements. The Licensing Committee took on this goal and you will see in their report the efforts of their work.

The third strategic goal was to develop a communication strategy that reflected the needs of consumers, the industry and stakeholders. Last year, the Commission engaged Infuse Public Relations to conduct an external communications audit, which included focus groups, surveys and interviews, the results of which were used to develop a comprehensive communications plan that will be implemented in 2015.

Along with these goals, the board deliberated and approved changes to support the ongoing needs of the Commission including, but not limited to, budget approval, additions to staff, new advertising guidelines and team requirements as well as ensuring our rules and regulation are relevant to today's ever evolving real estate environment.

Our industry is fortunate to have a very dedicated and focused group of individuals who serve our needs selflessly and with integrity as board and committee members. It has been an honour and pleasure to work with them this past year.

The work of the board would be impossible without the team of staff members who continue to prove their commitment and talent to offer the best services to our industry while upholding the mission of serving the public interest in real estate transactions. This team, lead by our Registrar, Brad Chisholm, continues to excel in their work performances and supports the efforts approved by the Board of Directors.

Message from the Registrar

Report for 2014



Brad Chisholm
Registrar

2014 demonstrated that for the real estate industry, change is the new constant. We are seeing changes sooner and faster both from within the industry and outside influences. The implications, both positive and challenging, resonate with every licensed practitioner.

For the Commission's role, the intent of change is to further our mandate to ensure consumer confidence. This is also good for industry members since arguably a consumer who lacks confidence in the industry may be less likely to engage the services of a real estate brokerage.

Throughout 2014, the Commission continued working hard toward the three goals set out in our 2013 five-year strategic plan.

1. Establish and effective communication process
2. Raise entrance and performance standards
3. Update the *Act, Regulations and Bylaw*

We engaged a communications consultant to carry out an extensive communications audit. This involved an internal review of current operations, various consumer and industry focus groups and feedback from other pertinent stakeholders. The final report was delivered to the Board of Directors who tasked Commission staff to create a comprehensive communications plan. The plan was approved by the board at the March 2015 meeting.

The Commission also approved a number of *Bylaw* changes in an effort to raise entrance standards and ensure candidates for the licensing program are suited to increasing consumer demands for qualified licensed professionals. Work also continued on licensing course enhancement and improved testing requirements for both salespersons and brokers exams.

Finally, the Commission has drafted a completely re-engineered *Real Estate Trading Act* which is now being reviewed by government staff. The next steps involve working with them as this project navigates the proper channels with the anticipation of it becoming enacted legislation. In the meantime, we are working on new *Bylaw* to accompany the newly drafted *Act*.

Other ongoing priorities are to develop and deliver high quality continuing education, develop useful tools for industry members in their day-to-day practice and maintain a level playing field for brokerages through our compliance operations.

Thank you to the Board of Directors for your support and thank you to the Commission staff for their continued hard work and commitment.

The Nova Scotia Real Estate Commission is the regulator of the real estate industry, whose goal is to ensure consumer confidence through the administration of the Real Estate Trading Act and the Commission Bylaw



Charlie Pace
Harbourside Realty

Licensing Committee

Chairperson's report for 2014

The role of the Licensing Committee is to review and make recommendations to the Board of Directors on all licensing matters.

I wish to thank outgoing committee members Elizabeth Irwin, Sue MacNeil, David Schwartz, and Ann Thompson for their service. I also want to welcome new committee members Alex Astbury, Lorena MacDonald, Sarah Taylor, and public Commissioner Gregg Yeadon.

The committee made a number of recommendations to the Board of Directors in 2014. We reviewed entrance requirements, both from initial licensing to re-entry to the profession. For initial licensing, applicants enrolling in the salespersons licensing course after July 1st, 2015, must now provide proof of a high school diploma, GED, or an approved equivalency. For applicants returning to the industry after an absence, which can be up to two years, missed CPE courses must now be completed before being issued a licence.

In 2014, we expanded the 2013 pilot of online licensing renewals from five brokerages to 15. The committee and the Commission extend our thanks to the brokerages that volunteered for online renewals. As a broker that completed online renewals for the last two years and will be again this year, I encourage brokers to sign up for online renewals this coming licensing cycle.

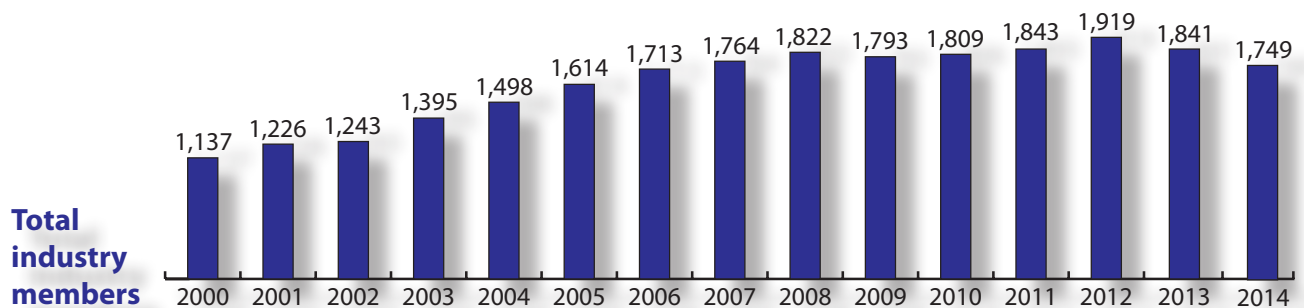
This is my last year on the Board of Directors and my second and final report as chair of the Licensing Committee. I extend my sincere thanks and gratitude to all the Commissioners and committee members, past and present who have dedicated their time and energy to accomplish the goals of the Commission. I also consider myself fortunate to have worked with the Commission staff. It would not be possible for the Commission to effectively carry out its mandate without the commitment and dedication of its employees.

New applicants/ licence class	2011	2012	2013	2014
Salespeople	185	225	147	119
Brokers/managing associate brokers	17	19	15	14
Associate brokers	12	13	12	5

Industry totals	2011	2012	2013	2014
Offices	278	281	270	262
Industry members	1843	1919	1841	1746
Brokers	213	218	209	196
Managing associate brokers	51	48	46	47
Associate brokers	89	92	99	97
Salespeople	1490	1561	1485	1406
Approved sales corps.	0	93	131	152

Committee Members

- Charlie Pace, Commissioner, Halifax
- Alex Astbury, Member, Halifax
- Lorena MacDonald, Member, Dartmouth
- Sarah Taylor, Member, Greenwood
- Joanne West, Member, Dartmouth
- Gregg Yeadon, Commissioner, Dartmouth
- Crystal Yeo, Member, Waverley
- Ann Parks, NSAR Education Committee
- Nicole Kreiger, NSAR Representative
- Pamela Crane, Licensing Officer



Complaints Review Committee

Chairperson's report for 2014



Robert Wambolt
Harvey Realities Limited.

As chair of the Complaints Review Committee (CRC), I wish to thank outgoing committee members Bonnie Reeves and Ron Stuart for their dedicated service. I also wish to welcome new committee members Al Demings, Mary MacDonald, and public committee member Aileen McGuinty.

The CRC is made up of industry and public members who are tasked with reviewing all of the Registrar's proposed settlement agreements and dismissed complaints. These decisions can range from dismissing a complaint, to offering a settlement agreement, placing conditions on a licence, and while rare, licence suspensions.

At CRC meetings, the Commission investigator presents the case to the CRC, along with the evidence and the Registrar's decision. If the CRC approves the Registrar's decision on charges and sanctions, the industry member is presented with a settlement agreement. Should the CRC not approve the decision, the settlement agreement is rescinded and the Registrar may modify his decision or send the matter to hearing. The Commission follows this process every time the Registrar offers a settlement agreement or dismisses a complaint.

In 2014, 28 investigations were opened, down from 49 in 2013, and one more than 2012. While it is important to note that the number of complaints submitted and investigated varies from year to year, the Commission compliance team made it a point this year to engage brokers early in the complaint process so in some cases, the matter might be resolved before it resulted in a formal complaint. This approach does not work in all complaint situations and, depending on the allegations, an investigation

may be in the best interest of both the public and the industry. Despite this approach, if a member of the public submits a written complaint and follows the resolution process, the Commission may still open an investigation.

In all cases, consumers are provided with information about our complaint, investigation, and discipline process and given the option of submitting a formal complaint.

For example, if a consumer's complaint is service-related, i.e. the industry member is not returning phone calls and emails, the compliance team may contact the industry member's broker to discuss the issue and have the broker follow up with the industry member and the consumer. If the matter can be resolved satisfactorily, the consumer may choose not to file a complaint.

As I stated previously, serving on the CRC is a challenging endeavor. I want to thank the Commission compliance team and the members of the CRC for their continued hard work and dedication.

Committee Members

Robert Wambolt, Commissioner, St. Peter's

Al Demings, Member, Dartmouth

Peter Fraser, Member, New Glasgow

Mary MacDonald, Member, Liverpool

Aileen McGuinty, Public Member, Hammonds Plains

David Melvin, Public Member, Halifax

Charlie Pace, Commissioner, Halifax

Lisa White, Commissioner, Halifax

Carolin MacDonald, Compliance Manager

Susan Best, Compliance Investigator



Ryan P. Brennan
Clyde A. Paul & Associates

Discipline Committee

Chairperson's report for 2014

In 2014, the Discipline Committee had no formal discipline hearings as all matters had been resolved without the need for a formal hearing. The preceding two years have each only had one formal discipline hearing annually.

The Discipline Committee as a whole does not meet together, other than for training purposes. The Committee members serve to form a roster for hearing panels in the event of a discipline hearing. The Discipline Committee's role is to hold discipline hearings and render decisions about alleged infractions of industry members, including unprofessional conduct, and breaches of the *Real Estate Trading Act, Regulations and Bylaw*.

When the Commission is made aware of an alleged infraction(s) by an industry member, the compliance team investigates. The Registrar has the option of referring the matter to the Complaints Review Committee to review a settlement agreement or to the Discipline Committee for a hearing.

In most cases, the industry member facing disciplinary action will enter into a Settlement Agreement with the Commission. For most infractions, Settlement Agreements are the quickest and simplest way to resolve the issue, from both the industry member's and the Commission's point of view.

If settlement agreement is rejected, the Discipline Committee becomes involved. The matter is referred for a discipline hearing. A Hearing Panel consisting of three Discipline Committee members hears the evidence from the industry member and the Commission, and renders a written decision about whether or not the industry member has committed the alleged infractions.

If the industry member is found to have committed an infraction, both parties have the opportunity to make submissions about the appropriate sanctions and costs to be awarded against the industry member. The Hearing Panel has broad authority as outlined in Section 19 of the *Real Estate Trading Act*.

An industry member has the right to appeal the decision of the Hearing Panel to the Nova Scotia Court of Appeal within 25 days of the Hearing Panel's written decision.

It was my pleasure to work with the commissioners and industry members in this capacity.

Committee Members

Ryan Brennan, Commissioner, Spryfield

Mike Arthur, Member, Halifax

Carol Alexander, Member, Chester

Don Clark, Member, Dartmouth

Glen Carter, Member, Truro

Jamie Ferguson, Member, Halifax

Joan Harris-Reid, Member, Greenfield

Brian Hirtle, Member, Kentville

Audits and Investigations

Report for 2014

The Commission compliance team conducts yearly trust audits on each brokerage in Nova Scotia. In addition to the trust audits, each brokerage is subject to a brokerage audit every three years. The brokerage audit comprises an in-depth review of the brokerage's transaction files and records management. The results of the 2014 audits are categorized as follows:

212 trust audits:	9 very good
	99 good
	49 needs improvement
	25 Form #2 (no trust funds)
	30 Form #3 (no brokerage activity)
133 brokerage audits:	51 good
	1 very good
	52 needs improvement
	29 Form #3 (no brokerage activity)

The compliance team also conducted 10 additional audits resulting from change of broker, brokerage closing, or spot audit.

The trust and brokerage audits ensure brokerages comply with the standards and procedures for trust accounts and record keeping, which in turn protects the best interests of the public. The audits also help the Commission identify trends in the industry, which can then be addressed through continuing education courses and/or industry bulletins. While the Commission's approach to audits factors heavily on education and correction, brokers need to be aware that there are repercussions for failing to comply with trust account and record keeping requirements. For example, any brokerage that receives three consecutive ratings of "Needs Improvement" audits is subject to disciplinary action. In 2014, the Commission charged nine brokers on these grounds. The Commission also charged one brokerage with paying commission to an unlicensed corporation. The fines for non-compliance begin at \$500, but increase with each offense and can, in more extreme situations, result in licence restrictions and licence cancellations.

Origin of 2014 investigations	
Public	22
Registrar	7
2014 investigation status summary	
Outstanding investigations from 2013	28
New cases initiated in 2014	28
Closed (investigated and presented)	41
Outstanding as of December 31, 2014	15
Dismissed complaints	5
2014 hearings	0
2014 licence suspensions	1

NSREC Mandatory Forms Committee

Report for 2014

The NSREC Mandatory Forms Committee makes recommendations to the Commission Board of Directors regarding new and existing Commission-mandated forms. The committee was defined in Bylaw passed at the Board of Directors meeting in December 2013 and came into effect on January 1, 2014.

The NSREC Mandatory Forms Committee is made up of three members appointed by the Nova Scotia Association of REALTORS® and three members appointed by the Nova Scotia Real Estate Commission. The appointments may include industry members and, optionally, one lawyer from each organization. The committee chair is selected by the chair of the Nova Scotia Real Estate Commission. A staff member from each organization also attends committee meetings.

The NSREC Forms Committee met a number times over the past year. This newly formed committee decided to start from the beginning and concentrate on reviewing the forms sequentially, clause by clause. This was a great deal of work, but the committee is very pleased to announce that the following new forms: *Working with the Real Estate Industry*, *Seller Brokerage Agreement* and *Seller Designated Brokerage Agreement* will be made available shortly. These forms were reviewed extensively at the committee level as well as by focus groups of both industry members and members of the public across the province. Each form will follow the same process of having focus groups review, discuss, and provide the committee with feedback.

Industry members who wish to be a member of a forms focus group can contact the Commission and put their names forward.

Committee Members

Dennis Richards, Commissioner, Dartmouth

Carol Alexander, Member, Pleasantville

Adam Hennigar, Member, Halifax

Gary Morse, Commissioner, Halifax

Cyril Randall, Lawyer, Dartmouth

Tony Robinson, Lawyer, Dartmouth

Doris Snook, Member, Dartmouth

Carolin MacDonald, Compliance Manager

Bonnie Wigg, NSAR, Director of MLS® and Member Services

Commercial Committee

Chairperson report for 2014



Bill MacAvoy
Commercial Eastern Inc. DBA
Cushman & Wakefield Atlantic

I am pleased to have joined the Commission's Board of Directors. I look forward to working with the Commercial Committee, both previous members, and new additions, over the coming year.

Again this year, our annual Commercial Forum was well attended with over 70 participants. Thank you to the presenters for their well organized and informative presentations.

The Commercial sector shares some challenges and opportunities with the residential sector, but has many unique ones as well. From the commercial-only practitioners in the non-NSAR brokerages in Halifax, to the mixed-practice industry members across the province, issues regarding agency, compensation, and others are changing rapidly.

Finance Committee

Chairperson's report for 2014



Paul Doucet
Royal LePage Atlantic

2014 Results

In 2014 the Commission's financial position was very stable. Retention rates for some licence categories dipped slightly as did the number of new licensed salespersons. This small reduction did not impact revenues in a material way as other revenue categories (licence and non licence) were slightly higher than anticipated. Most operating expenses were close to budget. One expense category was added shortly after the commencement of 2014 to track legal costs for drafting the new *Act*. Operating expenses are closely monitored by both the Finance Committee and Commission management staff.

2015 Budget

In this coming year the Commission will continue with its regular operations in addition to working towards the goals set out in the 2013 strategic plan. I am pleased to report there will be no licensing fee increases for the coming licensing year, commencing July 1, 2015. Thank you to the Finance Committee members and to the Commission staff for their hard work.

Committee Members

Bill MacAvoy, Commissioner, Halifax
Tom Carpenter, Member, Dartmouth
Cathy Covey, Member, River John
Andrew Cranmer, Member, Halifax
Bill Greenwood, Member, Halifax
Tim Margolian, Member, Halifax
Greg Taylor, Member, Halifax
Susan Best, Compliance Investigator

Committee Members

Paul Doucet, Commissioner, Halifax
Charlie Pace, Commissioner, Halifax
Dennis Richards, Commissioner, Dartmouth
Lisa White, Commissioner, Halifax

Recovery Fund

Report for 2014

The Nova Scotia Real Estate Recovery Fund was created to protect consumers when they suffer a financial loss due to fraud or breach of trust by an industry member. The provincial government requires the Commission maintain a minimum balance of \$300,000 in the Fund. Any monies in excess of that amount may be used for a variety of other purposes, such as public and professional education relating to the real estate industry, reform of the industry, promoting standardization and supporting just and sound legislation affecting the industry.

There were no claims against the Recovery Fund in 2014, and Recovery Fund fees will remain the same in 2015.

The Recovery Fund continues to be very conservatively positioned due to the objectives of the fund and a fundamental predisposition to create risk adjusted absolute returns. The fund is approximately 90 per cent invested in fixed income (bond) funds managed by active domestic and global managers who in combination are diversifying the portfolio by credit, duration, and geography. The remaining 10 per cent of the portfolio is managed by one of the preeminent trend following managers who is investing in bonds, stocks, currencies, energies, agriculturals, metals, credit and interest rates in over 400 instruments around the world.

In 2014, the portfolio earned 3.66 per cent. Year to date to the end of February 2015, the portfolio is up another 4.18 per cent or 27.89 per cent annualized for 2015. It is not expected that we will achieve the annualized performance; however, we are off to a very good start.

The Recovery Fund has provided a grant to NSAR's Education Department upon request from NSAR. This year a grant of \$25,000 was provided. The education grant from the Commission subsidizes course development costs, which helps keep licensing and continuing-education costs reasonable for those taking the courses.

Committee Members

Paul Doucet, Commissioner, Halifax

John MacKay, Member, Wolfville

Mike Clayton, Member, Yarmouth

Election procedures

An election for one position on the Commission Board of Directors will be held at the Annual General Meeting on April 17, 2015 at 10:00 a.m. Please review the following election procedures prior to voting.

- All industry members are entitled to vote either in person or by proxy.
- Industry members who intend to vote by proxy in the election, must complete the proxy form.
- No industry member may carry more than two proxy votes per election.
- Any person elected to serve as a Commissioner must be an industry member in good standing with the Commission.
- No corporation or partnership is eligible for election.
- The only nominees to be considered for election are those included in this report.
- Industry members must return their ballots (their own plus those by proxy) to the registration desk if they leave at any time during the meeting.
- The election is conducted by written ballot.
- Ballots can indicate only one vote per nominee.
- Ballots are considered spoiled if the ballot indicates more than one vote or if it indicates more than one vote per nominee. Ballots are also considered spoiled if it does not clearly indicate for which nominee the vote is being cast.
- A nominee is declared elected if the nominee receives 50-per cent-plus-one of votes cast. For example, if there are 200 votes cast, the nominee must have 101 or more votes to be declared elected.
- Should a person not be elected after the first ballot, a second ballot is held. The same procedure is used in every ballot that follows until a person is declared elected.
- The nominee having the lowest number of votes is dropped from the next ballot.
- Any nominees having less than ten per cent of the votes cast is dropped from the next ballot.
- The successful nominees take office effective May 1, 2015.

Commissioners

Nominees for 2015

Nominee: Anthony Brown

Brokerage: Exit Realty Metro

Type of licence: Salesperson

Years licensed: Five

Real estate practiced: Residential and Commercial

Degree/designation: Bachelor of Recreation and Sports Sciences Management

About: Hard work and giving back to the people around me defines my life. People have opened many doors for me. I have a loving family, great friends, and the support of many people that have guided and mentored me. In following the example of these generous people, I completed the Katimavik program in 2003 and received the Gold level Duke of Edinburgh Award in 2004. I graduated from UNB in 2008 with a Bachelor of Recreation Management and gained valuable experience in the business world.

As an investor in real estate, I saw the opportunity to combine my business training with a desire to help people. Real estate, like all business, can be tough, but it must be fair and honest. Living this belief has rewarded me with professional and personal success. Professionally, my business has increased by a double digit year over year since I started my career. Personally, I have had the privilege of mentoring people in our brokerage, other brokerages across Canada, and been asked to speak at national and international real estate conferences. I believe in adding as much value to the relationships that I have and I believe I can do this on an even larger scale through my work at the NSREC.

Nominee: Mary Clark

Brokerage: Bryant Realty Atlantic

Type of licence: Salesperson

Years licensed: Seven

Degree/designation: Community College Business Program, numerous IT and program management courses over last 15 years, St. Mary's University courses to be continued and now ready to embark on candidacy for FRI designation with REIC. Recently obtained SRES (Seniors Real Estate Specialist) designation with REIC through NSAR. I am a lifelong learner.

About: I am the eldest of four children and grew up traveling due to Father's career as military pilot. I enjoyed 20 years of communications and marketing in television industry, and further work experience with Service Nova Scotia (helping launch a new division within the department) and Exxon Oil (managing the trades for seven off shore platforms). I fulfilled lifelong dream of becoming a real estate agent and am now living that dream. Every day is a new challenge and no two days are ever the same. I have been with my husband Tim now for thirty years this coming April. We have no children of our own. I devote time and resources to varied causes such as the SPCA, and I have recently joined the You Gotta Sing Community Chorus who perform charitable benefits throughout the year. I have the time, energy and interest in serving and learning even more about the industry I am so pleased to be a part of.

Nominee: Al Demings

Brokerage: RE/MAX- Nova

Type of licence: Salesperson

Years licensed: 24

Real estate practiced: Residential sales and sales management along with some investment and commercial sales for a few years

Director/committee experience: Served as member, chair, or staff liaison on most of the committees of the former Halifax-Dartmouth Real Estate Board, former Executive Officer of HDREB and NSAR following amalgamation. Served on the task force that developed the Act, Bylaw, Regulations, and Policies to create the NSREC. Member of the Board of Directors of CREA, served as member of Board of Directors of the Executive Officers Council of the CREA, as well as a year as chair for of that group.

About: I am a native of the province, hailing from Oxford N.S., the blueberry capital of the world.

I joined the ranks of REALTORS® in Moncton, N.B. in 1978 following several years in sales and sales management positions.

My real estate career has evolved through sales and sales management as well as in administration of the "organized" side of the industry. I have enjoyed these experiences thoroughly. I returned to the front lines in 2002 where I continue as an award-winning sales person today. I live in Woodlawn area of H.R.M. with my life partner Fran where we enjoy the fun of hands-on home renovations and visiting grandchildren. I am looking forward to the opportunity to once again participating in the evolution of our industry through involvement in NSREC.

Nominee: Marc Doucet

Brokerage: Royal LePage Atlantic

Type of licence: Managing Associate Broker

Years licensed: Seven

Real estate practiced: Residential

Director/committee experience: Royal LePage Advisory Committee

About: Marc's passion for helping people build a meaningful business in real estate is well suited for his role as managing associate broker for Royal LePage Atlantic, in Halifax N.S. Marc has been with RLPA for the last two years and his focus on leadership, education and professional development have made a positive contribution to the company's continued growth into the largest real estate brokerage in Atlantic Canada. As a second generation broker, Marc grew up in the family Brokerage Prudential Property Specialists in Bedford, N.S. He began his career in real estate in 2007, first as a sales person and later as managing associate broker.

Marc lives in Beaver Bank N.S. with his wife and two daughters. Whether it's creating and facilitating an ambitious training calendar at work, or raising two young precocious girls at home, Marc brings a refreshing positive energy to every challenge.

Financial Statements of

NOVA SCOTIA REAL ESTATE COMMISSION

December 31, 2014

Andrew M. Campbell

Chartered Accountant

143-27 Brookdale Crescent
Dartmouth NS B3A 4N5
Tel: (902) 717-5390
andcampbell@eastlink.ca

Independent Auditor's Report

To the Board of Directors of the
Nova Scotia Real Estate Commission

I have audited the accompanying financial statements of the Nova Scotia Real Estate Commission, which comprise the balance sheet as at December 31, 2014 and the statements of revenue and expenses and net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

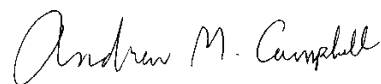
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained in my audit is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Nova Scotia Real Estate Commission as at December 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Chartered Accountant
Dartmouth, Nova Scotia
March 13, 2015

NOVA SCOTIA REAL ESTATE COMMISSION
Table of Contents
December 31, 2014

	<u>Page</u>
Balance Sheet	1
Statement of Revenue and Expenses and Net Assets	2
Statement of Cash Flows	3
Notes to the Financial Statements	4-7
Schedule 1 – Recovery Fund Transactions	8

NOVA SCOTIA REAL ESTATE COMMISSION

Balance Sheet

As at December 31, 2014

	<u>2014</u>	<u>2013</u>
ASSETS		
Current		
Cash		
- Unrestricted	\$ 38,161	\$ 63,594
- Restricted	21,854	18,456
Short term investments		
- Unrestricted	996,964	708,383
- Restricted	56,528	111,254
Accounts receivable	2,500	18,455
Accrued interest receivable	-	1,015
Prepaid expenses	6,608	5,966
Inventory - manuals and guides	2,762	4,009
	1,125,377	931,132
Long term investments	26,270	154,048
Recovery Fund investments (cost - 2014 - \$559,109; 2013 - \$548,226) (Note 3)	564,855	544,196
Capital assets (Note 4)	22,330	25,730
	\$ 1,738,832	\$ 1,655,106
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 101,731	\$ 51,165
Due to Nova Scotia Association of Realtors	3,346	3,330
Funds held in trust	78,382	129,710
Deferred revenue	398,462	360,113
	581,921	544,318
NET ASSETS		
Reserve Fund (Note 5)	131,643	131,643
Recovery Fund (Notes 5 & 6) (Schedule 1)	564,855	544,196
General Fund (Note 5)	460,413	434,949
	1,156,911	1,110,788
	\$ 1,738,832	\$ 1,655,106

NOVA SCOTIA REAL ESTATE COMMISSION
Statement of Revenue and Expenses and Net Assets
Year ended December 31, 2014

	2014	2013
Revenue		
Recovery Fund		
Assessment income	\$ 55,038	\$ 58,708
Investment income (loss)	18,356	(3,413)
Unrealized gain on investments	9,776	3,884
	83,170	59,179
General Fund		
Licensing fees	800,788	746,240
Examination fees	18,080	26,050
Fines and penalties	37,800	67,550
Reinstatement of license	19,840	18,620
Hearing and investigation recoveries	2,500	10,514
Other fees	9,356	17,491
Lapsed trust funds	76,052	31,955
Investment income	21,568	20,933
	985,984	939,353
	1,069,154	998,532
Expenses		
Advertising	1,110	861
Act changes	58,384	-
AGM and conference	2,769	1,284
Amortization	5,424	6,513
Bad debts	1,700	5,650
Bank service charges	20,268	20,415
Conferences	8,184	21,971
Directors and Committee member fees	24,940	26,850
Grant to education by Recovery Fund	25,000	25,000
Hearing and investigation costs	1,333	15,035
Insurance	2,034	2,028
Long range strategic planning	2,809	19,609
Miscellaneous	8,702	7,404
Office	30,920	29,569
Professional fees	52,111	72,728
Rent, cleaning and utilities	77,140	78,200
Salaries and employee benefits	648,166	520,499
SPL and BM exams	4,756	6,240
Staff travel and training	16,454	22,949
Telecommunications	9,428	11,176
Travel and meetings	16,060	12,695
Website maintenance	5,339	9,700
	1,023,031	916,376
Excess of revenue over expenses	46,123	82,156
Net assets, beginning of year	1,110,788	1,028,632
Net assets, end of year	\$ 1,156,911	\$ 1,110,788

NOVA SCOTIA REAL ESTATE COMMISSION
Statement of Cash Flows
Year ended December 31, 2014

	<u>2014</u>	<u>2013</u>
NET INFLOW OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
Operating activities		
Excess of revenue over expenses	\$ 46,123	\$ 82,156
Items not affecting cash		
Amortization	5,424	6,513
Unrealized gain on investments	(9,776)	(3,884)
Changes in non-cash operating working capital items	55,178	(33,825)
	<u>96,949</u>	<u>50,960</u>
Investing activities		
Disposal (purchase) of Recovery Fund investments (net)	(10,883)	11,003
Purchase of capital assets	(2,024)	(3,991)
Increase in unrestricted short and long term investments	(160,803)	(566,487)
Decrease in restricted cash and short term investments	51,328	17,851
	<u>(122,382)</u>	<u>(541,624)</u>
NET CHANGE IN CASH	(25,433)	(490,664)
CASH, BEGINNING OF YEAR	63,594	554,258
CASH, END OF YEAR	\$ 38,161	\$ 63,594

NOVA SCOTIA REAL ESTATE COMMISSION

Notes to the Financial Statements

December 31, 2014

1. DESCRIPTION OF BUSINESS

The Nova Scotia Real Estate Commission (the “Commission”) was established by the Province of Nova Scotia Bill No. 31 assented to December 20, 1996. Bill 31 is an Act to Provide for Regulation of Trading in Real Estate in Nova Scotia. The Commission is exempt from income taxes.

Included in these financial statements are the transactions of the Nova Scotia Real Estate Recovery Fund, which is administered and supervised by the Commission. The purpose of the Fund is to provide a self-insurance fund for licensed members in the Nova Scotia real estate industry within limits outlined in Note 6.

2. ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CICA Handbook and include the following significant accounting policies:

Cash

Cash is comprised of cash on deposit with financial institutions.

Short term investments

Short term investments is comprised of amounts on deposit with financial institutions with maturities that exceed three months at the date of acquisition. Interest rates range from 1.15% to 2.0%.

Long term investments

Long term investments is comprised of non-redeemable amounts on deposit with financial institutions with maturities that exceed twelve months from the balance sheet date. As at December 31, 2014, the investments bear interest at 2.0% and mature in 2016.

Financial instruments

The Commission initially measures its financial assets and financial liabilities at fair value. It subsequently measures all of its financial assets and financial liabilities at amortized cost, except for Recovery Fund investments which are measured at fair value at the balance sheet date.

Investment income earned on short term investments and Recover Fund investments is recognized as revenue in the statement of revenue and expenses.

Transaction costs related to financial instruments measured subsequent to initial recognition at fair value are expensed as incurred. Transaction costs related to other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the straight-line method.

With respect to financial assets measured at cost or amortized cost, the Commission recognizes in excess of revenue over expenses an impairment loss, if any, when there are indicators of impairment and it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed in the period the reversal occurs.

NOVA SCOTIA REAL ESTATE COMMISSION

Notes to the Financial Statements

December 31, 2014

2. ACCOUNTING POLICIES (continued)

Capital assets

Capital assets are recorded at cost and amortized over their estimated lives using the straight-line method at the following annual rates. Capital assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying value of the asset exceeds its fair value at the date of impairment.

Furniture and equipment	10%
Computers	25%
Software	50%

Recovery Fund Investments

Investments are recorded at fair value. The fair value is determined using closing published price quotations in an active market.

Revenue recognition

The Commission follows the deferral method of accounting for contributions. The Commission's revenue is derived primarily from the assessment of fees which are recognized on a monthly basis as earned. Deferred revenue represents the unearned portion of fees billed. Lapsed trust fund revenue is recognized when funds held in trust exceed six years from the date originally deposited to a brokerage trust account. Other revenues are recognized when persuasive evidence of an arrangement exists, service has occurred, the price to the buyer is fixed and collection is reasonably assured.

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates. Significant financial statement items that require the use of estimates are as follows: amortization of capital assets, deferred revenue, accrued liabilities, and the allowance for doubtful accounts. These estimates are reviewed periodically and adjustments are made, as appropriate, in the statement of revenue and expenses in the year they become known.

3. RECOVERY FUND INVESTMENTS

The recovery fund investments are comprised of mutual funds as follows:

	2014		2013	
	Fair Value	Cost	Fair Value	Cost
Fixed income funds	\$ 564,855	\$ 559,109	\$ 539,630	\$ 543,190
Mixed funds	-	-	4,566	5,036
	<u>\$ 564,855</u>	<u>\$ 559,109</u>	<u>\$ 544,196</u>	<u>\$ 548,226</u>

NOVA SCOTIA REAL ESTATE COMMISSION

Notes to the Financial Statements

December 31, 2014

4. CAPITAL ASSETS

	2014			2013
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computers	\$ 44,480	\$ 41,279	\$ 3,201	\$ 4,092
Furniture and equipment	78,874	59,887	18,987	21,353
Software	24,405	24,263	142	285
	<u>\$ 147,759</u>	<u>\$ 125,429</u>	<u>\$ 22,330</u>	<u>\$ 25,730</u>

5. NET ASSETS

	General Fund	Recovery Fund	Reserve Fund	2014	2013
	Balance, beginning of year	\$ 434,949	\$ 544,196	\$ 131,643	\$ 1,110,788
Excess of revenue over expenses	50,464	(4,341)	-	46,123	82,156
Transfer from (to) General Fund	(25,000)	25,000	-	-	-
Balance, end of year	<u>\$ 460,413</u>	<u>\$ 564,855</u>	<u>\$ 131,643</u>	<u>\$ 1,156,911</u>	<u>\$ 1,110,788</u>

The Reserve Fund was established by the Commission as a contingency fund for future unexpected expenditures. Transfers to the Reserve Fund are approved by the Board.

The Recovery Fund balance, end of year, includes an accumulated unrealized gain on investments of \$5,746 (2013 - \$4,030 loss).

6. NOVA SCOTIA REAL ESTATE RECOVERY FUND

The Recovery Fund exceeds the required minimum amount of \$300,000 in cash and investments, and no longer carries insurance for indemnification purposes. Under the regulations, the maximum amount that may be paid from the Recovery Fund arising from a single real estate transaction is:

- a) \$25,000 to any claimant for a claim against a salesperson;
- b) \$50,000 to any claimant for a claim against a broker or manager; and
- c) a total of \$100,000 if there is more than one claim against a brokerage.

7. SHARED EXPENSES

The Commission occupies space in the Nova Scotia Association of Realtors building under a lease agreement between the Nova Scotia Association of Realtors and the Commission. The Commission is charged based upon space utilization. The Commission also shares the lease costs for the postage machine, as well as other certain common expenditures that are prorated on a reasonable basis. These financial statements include only the portion allocated to the Commission.

NOVA SCOTIA REAL ESTATE COMMISSION

Notes to the Financial Statements

December 31, 2014

8. FINANCIAL INSTRUMENTS

Fair value

The fair value of cash, short and long term investments, accounts receivable, accrued interest receivable, due to Nova Scotia Association of Realtors, and accounts payable and accrued liabilities approximates their carrying value due to their relative short-term nature. Recovery Fund investments are recorded at fair value.

Market risk

This is the risk that the Commission's investments will fluctuate as a result of changes in market price. The Commission manages this risk by maintaining a diversified portfolio.

Credit risk

The Commission performs an evaluation of accounts receivable and records an allowance for doubtful accounts as required. As at December 31, 2014, the allowance for doubtful accounts which offsets trade receivables was \$21,519 (2013 - \$19,819).

Liquidity risk

Liquidity risk is the risk that the Commission will not be able to meet its financial obligations as they become due. The Commission is exposed to liquidity risk in its ability to finance its working capital requirements and meet its cash flow needs. Given the Commission's currently available liquid resources, as compared to its contractual obligations, management assesses the Commission's liquidity risk to be low.

9. COMMITMENTS

In 2011, the Commission entered into a lease agreement for office space that expires April 30, 2016 and has monthly lease payments of \$6,473.

In 2013, the Commission entered into a lease agreement for office equipment that expires December 31, 2018 and has quarterly lease payments of \$1,613.

NOVA SCOTIA REAL ESTATE COMMISSION
Schedule of Recovery Fund Transactions
Year ended December 31, 2014

	<u>2014</u>	<u>2013</u>
Net assets, beginning of year	\$ 544,196	\$ 551,315
Revenue	83,170	59,179
Grant to Education Fund	(25,000)	(25,000)
Investment fees	(7,473)	(7,590)
Transfers to Recovery Fund	25,000	25,000
Transfer to Commission - administration	(55,038)	(58,708)
Net assets, end of year	\$ 564,855	\$ 544,196

Budget 2015

Revenue		
Recovery Fund		
Assessment income		50,000
Investment (loss) income		15,000
Unrealized gain (loss) on investments		0
		<u>65,000</u>
General Fund		
Licensing fees		801,090
Examination fees		16,400
Fines and penalties		25,000
Reinstatement of license		14,400
Hearing and investigation recoveries		5,000
Other fees		7,825
Lapsed trust funds		60,000
Investment income		17,000
		<u>946,715</u>
		1,011,715
Expenses		
Advertising		1,200
AGM and conference		2,800
Amortization		6,000
Bad debts		0
Bank service charges		24,000
Conferences		14,900
Directors and Committee member fees		29,050
Grant to education by Recovery Fund		25,000
Hearing and investigation costs		5,000
Insurance		2,150
Long range strategic planning		0
Miscellaneous		6,500
Office		37,750
Professional fees		38,000
Rent, cleaning and utilities		80,000
Salaries and employee benefits		656,516
SPL and BM exams		4,500
Staff travel and training		19,500
Telecommunications		10,000
Travel and meetings		23,200
Website maintenance		27,000
		<u>1,013,066</u>
Excess of revenue over expenses		(1,351)

Got a question? Contact us

Phone: (902) 468-3511
(800) 390-1015

Fax: (902) 468-1016
(800) 390-1016

Registrar

Brad Chisholm, Registrar
bchisholm@nsrec.ns.ca • extension 305

Licensing, CPE, and examination information

Pam Crane, Licensing Officer
pcrane@nsrec.ns.ca • extension 304

Fees and fine payment information

Cathy Campbell, Accountant
ccampbell@nsrec.ns.ca • extension 302

Compliance and advertising information

Carolin MacDonald, Compliance Manager
cmacdonald@nsrec.ns.ca • extension 303

Audits

Mallory LeBlanc, Compliance Inspector
mleblanc@nsrec.ns.ca • extension 308

Crystal Yeo, Compliance Inspector
cyeo@nsrec.ns.ca • extension 306

Courtney LeBlanc, Compliance Auditor (maternity leave until 2016)

Communications and publication information

Sarah Hill, Communications Coordinator
sarahhill@nsrec.ns.ca • extension 310

Peggy Kell, Communications and Technology Officer
pkell@nsrec.ns.ca • extension 309





nova scotia real estate
COMMISSION
Proxy Form

7 Scarfe Court, Dartmouth, N.S., B3B 1W4; p: 468-3511, 800-390-1015; f: 468-1016, 800-390-1016; www.nsrec.ns.ca

Complete this form to vote by proxy in the election for a Commissioner

Only the undersigned can appoint his/her voting delegates. (please print)

The undersigned: _____

Hereby appoints: _____

Or if he/she is unable to attend: _____

As the proxy on my behalf at:

**The Nova Scotia Real Estate Commission Annual General Meeting
in the auditorium at 7 Scarfe Court, Dartmouth, April 17, 2015 at 10:00 a.m.**

And at any adjournment thereof in the same matter, to the same extent and with the same power as if the undersigned were present at the said meeting or such adjournment thereof.

I understand that no voting delegate can carry more than two (2) proxy votes.

Dated the _____ day of _____ 2015.

Signature of eligible voting industry member

Printed name of eligible voting industry member

Brokerage

IMPORTANT: to carry a proxy, you must fax (902-468-1016/1-800-390-1016), email (pcran@nsrec.ns.ca) or personally deliver the completed proxy form to the Commission office by 4:00 p.m. on Tuesday, April 14th, 2015. You will receive a verification email within 24 hours of receipt of your proxy. If you do not receive a verification email by 12:00 PM on Thursday, April 16th, contact Pam Crane directly at ext. 304.

Proxy forms will not be accepted after the deadline.

If you are carrying a proxy for another industry member it is recommended that you arrive at the AGM 30 minutes in advance to assist us in registering attendees as fast as possible.

The Nova Scotia Real Estate Commission is the regulator of the real estate industry, whose goal is to ensure consumer confidence through the administration of the Real Estate Trading Act and the Commission Bylaw.