



IN THE MATTER OF THE MORTGAGE BROKERS ACT  
R.S.B.C. 1996, c. 313

-AND-

VERICO REALMORTGAGE SERVICES INC.

-AND-

GORDON HERBERT PIPKEY

**CONSENT ORDER**

The following agreement having been reached between and consented to by Verico Realmortgage Services Inc. ("VRS") and Gordon Herbert Pipkey ("Pipkey") and the Staff of the Registrar of Mortgage Brokers (the "Staff"), the Registrar of Mortgage Brokers (the "Registrar") agrees to the following terms of a consent order:

**A. ORDERS**

VRS and Pipkey consent to, and the Registrar makes, the following order, that:

1. VRS and Pipkey shall, jointly and severally, pay an administrative penalty, immediately upon execution of this Order, in the amount of **\$4,000.00**, pursuant to section 8(1.1) of the *Mortgage Brokers Act* ( the "Act"); and

3. VRS and Pipkey shall, jointly and severally, pay investigation costs, immediately upon execution of this Order, in the amount of **\$2,500.00**, pursuant to section 6(9) of the *Act*.

## **B. FACTS AND ADMISSIONS**

As a basis of this Order, VRS and Pipkey acknowledge the following facts as correct and make the following admissions:

### **Background**

1. VRS was incorporated in British Columbia on May 21, 1997 and has a registered and records office at 1700 – 1075 West Georgia Street, Vancouver, British Columbia. Pipkey is the sole director and officer of VRS.
2. VRS has been a registered mortgage broker in the Province of British Columbia since September 18, 1997.
3. Pipkey has been almost continuously registered as a submortgage broker in the Province of British Columbia since January 1982 and has been a registered submortgage broker with VRS since September 18, 1997.
4. Pipkey acts as the Designated Individual for VRS.

### **Conflict of Interest Disclosure**

5. VRS acted as the broker, and Pipkey acted as the submortgage broker, in five transactions where either he, [REDACTED], were the lenders through their self-directed RRSPs but where that fact was not disclosed to borrowers on the Form 10 Conflict of Interest Disclosure Statement, as required by section 17.3 of the *Act* and the Form 10 Conflict of Interest Disclosure Statement which is prescribed.
6. VRS acted as the broker, and Pipkey acted as the submortgage broker, in one transaction where the Form 10 Conflict of Interest Disclosure Statement was neither signed nor dated by the borrower, as required by s.17.3 of the *Act* and the Form 10 Conflict of Interest Disclosure Statement which is prescribed.

- 7. VRS breached section 17.3 of the Act by failing to make proper disclosure as required under that section.
- 8. Pipkey, as both the submortgage broker involved in the above transactions, and as the Designated Individual for VRS, engaged in conduct that is otherwise prejudicial to the public interest by failing to ensure that disclosure requirements under s.17.3 of the Act had been met.

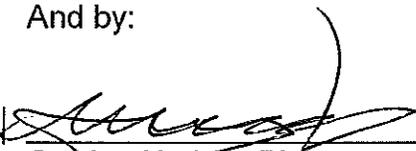
**C. WAIVER**

- 9. VRS and Pipkey waive their right to a hearing under section 8(1) of the Act and waive their right to an appeal under section 9 of the Act.

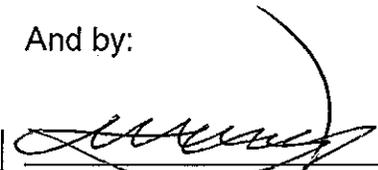
Approved as to form and content by:

  
 \_\_\_\_\_ this 17<sup>th</sup> day of September, 2010.  
 Stephanie A. Jackson  
 Counsel for Staff of the Registrar of Mortgage Brokers

And by:

  
 \_\_\_\_\_, this 13<sup>th</sup> day of September, 2010.  
 Gordon Herbert Pipkey

And by:

  
 \_\_\_\_\_, this 13<sup>th</sup> day of September, 2010.  
 Authorized signatory for  
 Verico Realmortgage Services Inc.

Dated at the  
City of Surrey,  
Province of British Columbia  
this 1st day of October 2010.



Carolyn Rogers  
Registrar of Mortgage Brokers  
Province of British Columbia