

**□ Pao Tian Real Estate Brokerage violates Article 24 of the Fair Trade Law by engaging in deceptive conduct that was able to affect trading order. 【July 27, 2006】**

During the course of transaction, Pao Tian Real Estate Brokerage (hereinafter called “Pao Tian”) withheld information that one buyer had already signed the “mediation fee receipt” and had paid NT\$300,000 as a mediation fee. During its 768th Commissioners’ Meeting on July 27, 2006, the FTC determined that such action was a deceptive conduct sufficient to affect trading order, and thus violated Article 24 of the Fair Trade Law. The FTC imposed a fine of NT\$500,000 and ordered the company to immediately stop the unlawful action.

Before entering into a “real estate sale brokerage contract” with the complainant on Nov. 29, 2004, Pao Tian had known that the consignment price of the two lots in Yiho Block Tachia Township was NT\$18.6 million. On Dec. 9, 2004, the buyer, Mr. Tang, expressed willingness to buy the lots at NT\$85,000 per *ping* (or a total price of approximately NT\$24 million). Mr. Tang signed the “mediation fee receipt” with Pao Tian, paid the mediation fee of NT\$300,000, and asked Pao Tian to negotiate the price with the seller (complainant) on his behalf. At this point, Pao Tian possessed information on the prices offered by the buyer and seller, and that the price offered by Mr. Tang was NT\$5.40 million higher than the consignment price of the complainant. Pao Tian apparently was not as honest a broker as it should have been to mediate and coordinate with the seller and buyer and close the transaction. On the contrary, Pao Tian signed another “real estate sale brokerage contract” with the complainant on Jan. 2, 2005, which included three lots (including the former two lots) with a total selling price of NT\$27.6 million. If the complainant had known that Mr. Tang had offered a price NT\$5.4 million higher than the consignment price, the complainant would not have signed the second “real estate sale brokerage contract,” which included three lots and a total price of NT\$27.6 million, with Pao Tian. The third lot was only valued at NT\$3.6 million, approximately NT\$7.7 million lower than the original consignment price of NT\$11.3 million, which was inconsistent with common trading practice.

Although Pao Tian claimed that it had already informed the complainant about Mr. Tang’s signing of the “mediation fee receipt,” investigation showed that the complainant knew about Mr. Tang’s signing of the “mediation fee receipt” several months after the signing of the “real estate sales contract.” The complainant had actually taken the initiative to obtain the information from Mr. Tang, and Pao Tian never provided the aforementioned information. The price of the lot Mr. Tang bought was near the offering price in the receipt. Therefore, it was apparent that Pao Tian held back important trading information about Mr. Tang’s offer and his signing of the “mediation fee receipt” from the seller.

In summary, Pao Tian, in brokering the transaction, used its dominant position in information enjoyed by its business and, with deception, withheld information on Mr. Tang’s signing of the “mediation fee receipt” and the payment of NT\$300,000 as a mediation fee from the complainant. This violated professional regulations that required real estate brokers to be, foremost, transparent with information and to observe honesty in service. Pao Tian’s conduct was ethically reprehensible in business, and a deceptive one that was sufficient to affect trading order. It violated Article 24 of the Fair Trade Law.

After taking into account the motive, objective, expected improper benefits, degree of damage to trading order, duration of the actions, benefits obtained, scale of business, business operations, revenue and market position, whether the competent authority had previously corrected or warned against such acts, type and number of previous violations, interval of violations, punishments incurred, conduct after the violation, cooperation during the investigation, and other factors, the FTC imposed the aforementioned fine in accordance with Article 41 of the Fair Trade Law.