



ASSURANCE
Fair Trading Act 1987
Section 79

Assurance to the Commissioner for Consumer Affairs given for the purposes of s79 of the *Fair Trading Act 1987* by:

Varo Property Services Pty Ltd (ACN 606 239 641)
and Loretta Cavallaro

PERSONS GIVING THIS ASSURANCE

1. This Assurance is given to the Commissioner for Consumer Affairs ("the Commissioner") by Varo Property Services Pty Ltd and Loretta Cavallaro for the purposes of section 79 of the *Fair Trading Act 1987* (SA).

BACKGROUND

2. Varo Property Services Pty Ltd (ACN 606 239 641) ("Varo Property") is a proprietary company limited by shares.
3. Varo Property is a licensed Real Estate Agent that sells residential properties and undertakes property management in South Australia.
4. Ms Loretta Cavallaro ("Ms Cavallaro") is a director of Varo Property.
5. Sections 10 and 11A of the *Land Agents Act 1994* requires that a registered agent that is a body corporate must ensure that its place of business is being properly managed and supervised as required by regulation 10 of the *Land Agents Regulations 2010*.
6. Section 21(1) of the *Land Agents Act 1994* requires that an agent must keep detailed records of all trust money received by the agent and of any disbursement of, or other dealing with, that money and must compile detailed accounts of those receipts and disbursements that—
 - (a) accurately disclose the state of the trust account maintained by the agent; and
 - (b) enable the receipt and disposition of trust money to be conveniently and properly audited; and
 - (c) comply with all other requirements specified by the *Land Agents Regulations 2010*.

CONDUCT OF CONCERN

7. Between July 2018 and December 2019 Varo Property failed to ensure that written procedures were available to employees who handled trust money and failed to ensure that the nominated manager acted with due care and diligence by reviewing the trust account records.

8. Between July 2018 and December 2019 Varo Property failed to ensure that the accounts and records were kept regularly and properly written up at all times by having unreconciled transactions in the trust account.

CONTRAVENTIONS

9. The Commissioner considers Varo Property and Ms Cavallaro acknowledge, that it is likely that Varo Property has:
 - 9.1. Failed to properly manage and supervise its place of business as required by sections 10 and 11A of the *Land Agents Act 1994* by ensuring that its nominated manager followed the practices specified in regulation 10 of the *Land Agents Regulations 2010*.
 - 9.2. Failed to ensure that it kept detailed records of all trust money received and disbursed as required by section 21 of the *Land Agents Act 1994* and as specified in regulations 17, 18, 19 and 20 of the *Land Agent Regulations 2010*.

COMMENCEMENT OF ASSURANCE

10. This Assurance comes into effect when:
 - 10.1. The Assurance is executed by Varo Property;
 - 10.2. The Assurance is executed by Ms Cavallaro; and
 - 10.3. The Commissioner for Consumer Affairs accepts the Assurance so executed.

ASSURANCE BY VARO PROPERTY AND MS CAVALLARO FOR THE PURPOSES OF SECTION 79 OF THE FAIR TRADING ACT 1987

11. In response to the concerns raised by CBS on behalf of the Commissioner for Consumer Affairs, Varo Property and Ms Cavallaro hereby provide an Assurance to the Commissioner that:
 - 11.1. Varo Property will ensure that its business is properly managed and supervised in compliance with sections 10 and 11A of the *Land Agents Act 1994* and regulation 10 of the *Land Agents Regulations 2010*;
 - 11.2. Varo Property will ensure that it keeps detailed records of all trust money received and disbursed in compliance with section 21(1) of the *Land Agents Act 1994* and regulations 17, 18, 19 and 20 of the *Land Agent Regulations 2010*.

ACKNOWLEDGMENTS

12. Varo Property and Ms Cavallaro acknowledge that:
 - 12.1. It is an offence to breach an Assurance, as set out in section 81 of the *Fair Trading Act 1987*.
 - 12.2. CBS will make this Assurance publicly available including by publishing it on CBS' public register of assurances on its website;
 - 12.3. CBS may, from time to time, make public reference to the Assurance including in news media statements and in CBS publications; and

12.4. This Assurance in no way derogates from the rights and remedies available to any other person arising from the alleged conduct.

12.5. This Assurance may be produced to any Court in respect of any proceedings alleging any future contraventions of the *Fair Trading Act 1987* or a related Act.

EXECUTED BY Varo Property pursuant to section 127(1) of the *Corporations Act 2001 (Cth)* and Loretta Cavallaro in her personal capacity for the purposes of this Assurance



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Ms Loretta Cavallaro

Director of Varo Property Services Pty Ltd

Date: 23rd July 2020

Accepted by the Commissioner for Consumer Affairs (SA) pursuant to s79 of the *Fair Trading Act 1987*



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Commissioner for Consumer Affairs (SA)

Date: 30 July 2020