

IN THE MATTER OF: THE REAL ESTATE BROKERS ACT

-and-

IN THE MATTER OF: "JOAN" STRINGER

STATEMENT OF ALLEGATIONS OF STAFF OF THE
MANITOBA SECURITIES COMMISSION

STAFF OF THE MANITOBA SECURITIES COMMISSION ALLEGES, INTER ALIA,
THAT:

A. REGISTRATION

1. Edna Joan Stringer ("Stringer") is registered as a salesperson under the Real Estate Brokers Act (the "Act") and has been so registered with Re/Max Real Estate Inc. ("Re/Max") since May 31, 2000.

B. DETAILS

1. Brent and Valerie Gilchrist (the "Gilchrists") were joint holders of the land and premises known as 252 Barlow Crescent, Winnipeg, Manitoba (the "Property") until September 30, 2003.

2. On or about June 9, 2003, the Property was advertised for sale with ComFree Private Sales ("ComFree") for a period of 30 days.

3. On or about June 18, 2003, in response to an advertisement in the Winnipeg Free Press, the Gilchrists were contacted by a potential purchaser of the Property, ("Dr. A") and subsequently the Gilchrists showed the Property to Dr. A on or about June 24, 2003. Dr. A expressed some interest in the Property, but had other homes to view.

4. On or about June 27, 2003, Stringer contacted the Gilchrists in response to the advertisement in the newspaper and offered to list the Property with the Multiple Listing Services ("MLS") for a 3½% commission. The offer was not accepted.

5. On or about July 9, 2003, the Gilchrists renewed their agreement with ComFree for an additional 30 days.

6. Also on or about July 9, 2003, Stringer met with the Gilchrists in their home. During the meeting, it was agreed that Stringer would attempt to sell the Property and list the property with MLS in exchange for a flat commission fee of \$5000. It was also agreed that the Gilchrists would continue to attempt to sell the Property privately and that if the Property was ultimately sold privately then Stringer would not receive any commission. The latter agreement was made orally and was not included in the written MLS contract, which provided that any existing private sales agreements were to be cancelled by the new contract. There were no "exclusions" with respect to any interested parties included in the written contract.

7. Subsequent to the meeting, Stringer arranged several showings of the Property. Both a ComFree sign and a Re/Max sign were displayed on the Property, but as agreed to between the Gilchrists and Stringer, the ComFree sign was temporarily taken down whenever Stringer arranged for a potential purchaser to view the Property.
8. On or about July 18, 2003, the private sale price for the Property was reduced from \$212,000 to \$209,000.
9. On or about July 25, 2003 in response to instructions from the Gilchrists, Stringer lowered the price of the Property on MLS from \$212,000 to \$209,000.
10. On or about August 6, 2003, Stringer and the Gilchrists agreed to change the commission arrangement to reflect an increased commission payable to Stringer from \$2,500 to \$3,000, thus increasing the total commission agreement from \$5000 to \$6000.
11. On or about August 10, 2003, Dr. A came to the Gilchrist home unexpectedly and agreed to purchase the Property. At no time did Dr. A ever have any contact with Stringer.
12. Immediately after the sale to Dr. A was concluded, the Gilchrists contacted Stringer to inform her that the Property had been sold privately.
13. On or about September 3, 2003, Stringer contacted the Gilchrists and asked what the possession date on the sale to Dr. A was and she was told that it was September 30, 2003. At this point, Stringer indicated that the MLS file was being closed.
14. On or about September 5, 2003, the Gilchrists were contacted by their lawyer at the time who indicated that a Caveat had been placed on the Property for unpaid real estate commission in the amount of \$5,000.

C. ALLEGATIONS

1. Staff of the Commission alleges that:
 - a) Stringer acted in a manner contrary to the interests of the sellers by not bringing to their attention the clause in the MLS contract that states that the broker is entitled to commission regardless of the manner in which the Property is sold.
 - b) Stringer acted in a manner contrary to the interests of the sellers by not clarifying the Gilchrists' understanding of the commission agreement when they made it clear that their understanding was contrary to the actual agreement in place.
 - c) Stringer acted in a manner contrary to industry standards when she did not verify the specific details of the sellers' existing arrangements with ComFree.
 - d) Stringer acted in a manner contrary to industry standards by not putting all agreements with the sellers into written contract form.

and that due to these allegations, it is in the public interest that the registration of Stringer as a salesperson under the Act be suspended or cancelled.

2. Such further and other matters as counsel may advise and this Commission permits.

DATED at Winnipeg, Manitoba this 2nd day of July, 2004.

Director, Legal and Enforcement

TO: MS. EDNA JOAN STRINGER