



IN THE MATTER OF: THE REAL ESTATE BROKERS ACT

AND IN THE MATTER OF: THE REAL ESTATE SERVICES ACT

- and -

**IN THE MATTER OF: IN TOWNE PROPERTIES LTD. operating
as THE REAL ESTATE LOUNGE and
RAVINDER GILL**

**STATEMENT OF ALLEGATIONS OF STAFF OF
THE MANITOBA SECURITIES COMMISSION**

STAFF OF THE MANITOBA SECURITIES COMMISSION ("Commission")
ALLEGE THAT:

A. REGISTRATION

1. In Towne Properties Ltd. (the "Broker") became registered with The Manitoba Securities Commission ("MSC") on March 18, 2008.
2. At all material times, while In Towne was registered, Ravinder Gill ("Gill") was designated as its authorized official.
3. At all material times, the Broker was registered as a broker under The Real Estate Brokers Act ("REBA) and was a member of The Manitoba Real Estate Association Inc. ("MREA") participating in the Real Estate Reimbursement Fund (the "Fund").
4. Gill registered the name The Real Estate Lounge as the Broker's trade name on June 10, 2012.
5. Between June 3, 2004 and March 18, 2008 Gill was a registered salesperson with Century 21 Carrie Realty Ltd.

B. DETAILS

6. In accordance with Manitoba Regulation 84/2021 the *Real Estate Services Regulation*, under The Real Estate Services Act ("RESA"), In Towne operating as The Real Estate Lounge is required to maintain a trust account to be operated in accordance with RESA and regulations.

The Strathboine Property

7. E.H. was the owner-vendor of property located at 17 Strathboine Crescent in Headingly, Manitoba (the "Strathboine Property"). E.H. listed the Strathboine Property for sale with The Real Estate Lounge.
8. The Strathboine Property was sold with a possession date of December 1, 2013. S.G. was the selling broker under the Offer to Purchase.
9. Pursuant to the Offer to Purchase, the Buyer made a deposit of \$15,000.00 which was to be held by The Real Estate Lounge until such time the sale of the Strathboine Property was completed.
10. Under the Offer to Purchase, the seller was to pay a commission of \$11,500.00 plus G.S.T. to the listing broker. These monies were to be paid from the deposit being held by The Real Estate Lounge.
11. The sale of the Strathboine Property was completed in December 2013.
12. On December 20, 2013, the lawyer acting for E.H. sent a letter to The Real Estate Lounge requesting return/payment of the excess commission, amounting to \$2,925.00. The Real Estate Lounge never returned these funds to E.H.'s lawyer.
13. S.G. was the selling broker in relation to the Strathboine Property. S.G. was not paid outstanding commissions by The Real Estate Lounge in the amount of \$6,825.00 notwithstanding requests to do so.
14. D.L. was the listing agent/salesperson of The Real Estate Lounge for the sale of the Strathboine Property. D.L. was not paid outstanding commissions by The Real Estate Lounge in the amount of \$2,176.66 owing to him.

The Waverly Property

15. N.L. and S.C. were the owner-vendors of 424 Waverly Street in Winnipeg, Manitoba (the "Waverly Property"). N.L. and S.C. listed the Waverly Property for sale with The Real Estate Lounge.
16. The Waverly Property was sold with a possession date of October 1, 2013. The Real Estate Lounge was the Listing and Selling broker under the Offer to Purchase.
17. The Buyer of the Waverly Property made a deposit of \$5,000.00 under the Offer to Purchase. These monies were to be held by The Real Estate Lounge until such time the sale of the Waverly Property was completed.

18. Under the Offer to Purchase, the seller of the Waverly Property was to pay a commission of \$2,500.00 plus G.S.T. to the Listing Broker. These monies were to be paid from the deposit being held by The Real Estate Lounge.
19. The sale of the Waverly Property was completed in October 2013.
20. The lawyers for N.L. and S.C. attempted to contact The Real Estate Lounge to obtain the excess funds paid to The Real Estate Lounge from the sale of the Waverly Property in the sum of \$2,375.00. The Real Estate Lounge did not pay these funds to pay N.L. and S.C.
21. D.S. was a salesperson-registrant of The Real Estate Lounge. As of December 31, 2013, D.S. has an outstanding commission owed to him by The Real Estate Lounge in the amount of \$377.24.
22. An investigation order was issued by the MSC on February 10, 2014.
23. On January 20, 2015 MSC staff requested the freezing of The Real Estate Lounge's trust account. A total of \$7,060.27 has been frozen from the trust account.
24. On January 20, 2015 MSC staff requested the suspension of The Real Estate Lounge's registration.
25. Upon investigation, it was confirmed that the trust account has a deficiency of \$7,618.63. MSC staff have verified that this deficiency of \$7,618.63 is due to unauthorized transactions, ATM withdrawals, transfers and payments.
26. MSC staff attempted to contact Gill concerning the above matters, but Gill did not reciprocate communication or contact with MSC staff, as requested.
27. MSC staff was made aware that Gill had left Canada and does not have a timeline for his return.

C. ALLEGATIONS

1. Staff allege that In Towne, The Real Estate Lounge, and Gill:
 - (a) have misappropriated, misapplied and/or have failed to properly account for trust monies in violation of the Trust Account regulations, subsection 26(1) of REBA and section 38 of RESA;
 - (b) have committed fraudulent acts as defined under RESA in relation to the handling of trust monies;

2. That the Commission should order the MREA to pay out of the Fund an amount to be determined at or before hearing to E.H., S.G., D.L., D.S., N.L. and S.C. and/or such other person as may be determined pursuant to subsection 65(2) of RESA;

3. Such further and other matters as counsel may advise and the Commission may permit.

DATED at the City of Winnipeg, in Manitoba this 9th day of August, 2023.



Director

**TO: IN TOWNE PROPERTIES LTD.
operating as THE REAL ESTATE LOUNGE**

AND TO: RAVINDER GILL

**AND TO: THE REAL ESTATE REIMBURSEMENT FUND
c/o THE MANITOBA REAL ESTATE ASSOCIATION INC.**