

**IN THE MATTER OF THE *REAL ESTATE SERVICES ACT*  
AND  
IN THE MATTER OF  
STEPHEN EDWARD LE SAGE**

**CONSENT ORDER**

RESPONDENT:	Stephen Le Sage Managing Broker while licensed with Point Grey Properties Inc.
DATE OF CONSENT ORDER:	June 14, 2007
CONSENT ORDER REVIEW COMMITTEE:	S. Sidhu (Chair) P. Jones J. Whyte
ALSO PRESENT:	R.O. Fawcett, Executive Officer J.S. Gossen, RECBC Staff

**PROCEEDINGS:**

On June 14, 2007 the Consent Order Review Committee resolved to accept the Agreed Statement of Facts, Proposed Acceptance of Findings and Waiver executed by Stephen Le Sage as submitted, which was that he not apply for licensing as a managing broker prior to November 14, 2009 and, as a condition of licensing as a managing broker, he must successfully complete the Broker's Licensing Course as provided by the Real Estate Division of the Sauder School of Business at the University of British Columbia. Further, Mr. Le Sage can not apply for licensing as a representative prior to June 30, 2007 and, as a condition of licensing, he must successfully complete the disciplinary education assignments applicable to Chapter 2 (the *Real Estate Services Act*) of the Real Estate Trading Services Licensing Course and Chapter 26 (Communication and Ethics in Property Management) of the Rental Property Management Licensing Course as provided by the Real Estate Division of the Sauder School of Business at the University of British Columbia. He further consents that any application for licensing under the *Real Estate Services Act* will not be considered unless a Wind Up Report for the brokerage, Point Grey Properties Inc., in a form acceptable to the Council, has been received by the Council at the time of his application, provided that if he does not comply with the terms as set out above, any application for reinstatement of his licence under the *Real Estate Services Act* will not be considered without a qualification hearing conducted pursuant to section 10 of *Real Estate Services Act* and section 2-6 of the Council Rules.

Mr. Le Sage further consents to pay a fine in the sum of \$1,000.00 and expenses in the amount of \$3,000.00 to the Real Estate Council as a condition of licensing or within six (6) months of the date of the Order herein.

**WHEREAS** an Agreed Statement of Facts, Proposed Acceptance of Findings and Waiver was executed by Stephen Le Sage and the Real Estate Council of British Columbia ("Council"), a copy of which is attached hereto:

**NOW THEREFORE**, the Council has made the following findings and orders the following penalties based on the Agreed Statement of Facts and Proposed Acceptance of Findings:

1. Stephen Le Sage's licence as a managing broker is hereby cancelled and he is prohibited from applying as a representative prior to June 30, 2007, as he committed professional misconduct within the meaning of sections 35(1)(a), section 35(1)(d), and section 35(1)(e) the *Real Estate Services Act* in that he:
  - (a) failed to be in active charge and control of the business of the brokerage contrary to sections 3-1(3)(a) and (b) of the Council Rules;
  - (b) contravened section 25 of *Real Estate Services Act* in that he failed to maintain proper books records and accounts of the brokerage in accordance with the Act and Rules;
  - (c) contravened section 2-19 of the Council Rules in that he failed to respond promptly in writing to a Council inquiry;
  - (d) contravened section 2.22(1)(a) of the Council Rules in that he failed to notify the Council in writing of a change of the brokerage's address;
  - (e) contravened section 7-6 of the Council Rules in that he failed to allow the Council's review of the brokerages accounts, financial records and other records related to the dealings of the brokerage;
  - (f) contravened section 8-7.2 (2)(a) of the Council Rules in that he failed to provide after ceasing to act for a client, records of a former client within fourteen (14) days of the last bank reconciliation that related to the account of that client;
  - (g) contravened section 8-7.2(2)(b) of the Council Rules in that he failed to deliver property management records to the new brokerage retained by the former client within fourteen (14) days of the request of such records by the new brokerage and further failed to make or retain copies of the same;

- (h) while there were sufficient trust funds held by the brokerage, failed to properly account for and remit all rental monies collected on behalf of a client (I.F.);
  - (i) while there were sufficient trust funds held by the brokerage, failed to properly account for and remit all rental monies that were collected on behalf of a client (T.G.);
2. Stephen Le Sage is prohibited from applying for licensing as a managing broker prior to November 14, 2009 and, as a condition of licensing as a managing broker, is ordered to successfully complete the Broker's Licensing Course and further, as a condition of licensing as a representative after June 30, 2007, he must successfully complete the disciplinary education assignments applicable to Chapter 2 (the *Real Estate Services Act*) of the Real Estate Trading Services Licensing Course and Chapter 26 (Communication and Ethics in Property Management) of the Rental Property Management Licensing Course as provided by the Real Estate Division of the Sauder School of Business at the University of British Columbia. by the Real Estate Division of the Sauder School of Business at the University of British Columbia,
3. Stephen Le Sage, as a condition of licensing, is required to pay a fine in the sum of \$1,000.00 and expenses in the amount of \$3,000.00 to the Real Estate Council within six (6) months from the date of this Order.

If Mr. Le Sage becomes licensed and he fails to comply with any of the terms of the Order set out above, the Council may suspend or cancel his licence without further notice to him pursuant to section 43(3) and 43(4) of the *Real Estate Services Act*.

Dated this 14th day of June, 2007 at the City of Vancouver, British Columbia.

"Satnam Sidhu"

S. Sidhu  
Chair

Consent Order Review Committee

Attch.

**File #440-05**

**IN THE MATTER OF THE REAL ESTATE SERVICES ACT  
S.B.C. 2004, c. 42**

**IN THE MATTER OF**

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**STEPHEN EDWARD LE SAGE  
(115762)**

**AGREED STATEMENT OF FACTS,  
PROPOSED ACCEPTANCE OF FINDINGS AND WAIVER**

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The following agreement has been reached between Stephen Edward Le Sage (“Mr. Le Sage”) and the Real Estate Council of British Columbia (the “Council”).

- A. Mr. Le Sage hereby consents to an Order to be made pursuant to section 43 of the *Real Estate Services Act* that he not apply for licensing as a managing broker prior to November 14, 2009 and, as a condition of licensing as a managing broker, Mr. Le Sage will successfully complete the Broker’s Licensing Course as provided by the Real Estate Division of the Sauder School of Business at the University of British Columbia. Mr. Le Sage further consents that he will not apply for licensing as a representative prior to June 30, 2007 and, as a condition of licensing, Mr. Le Sage will successfully complete the disciplinary education assignments applicable to Chapter 2 (the *Real Estate Services Act*) and Chapter 26 (Communication and Ethics in Property Management) of the Rental Property Management Licensing Course. Mr. Le Sage further consents that any application for licensing under the *Real Estate Services Act* will not be considered unless a Wind Up Report for the brokerage, Point Grey Properties Inc., in a form acceptable to the Council, has been received by the Council at the time of Mr. Le Sage’s application, provided that if Mr. Le Sage does not comply with the terms as set out above, any application for reinstatement of Mr. Le Sage’s licence under the *Real Estate Services Act* will not be considered without a qualification hearing conducted pursuant to section 10 of *Real Estate Services Act* and section 2-6 of the Council Rules. In any event, Mr. Le Sage will pay a fine in the sum of \$1,000 and expenses of this Consent Order to the Council in the amount of \$3,000.00 as a condition of licensing or within six (6) months of the date of the Order herein. If Mr. Le Sage becomes licensed and he fails to comply with any of the terms of the Order set out above, the Council may suspend or cancel his licence without further notice to him pursuant to section 43(3) and 43(4) of the *Real Estate Services Act*.
- B. As a basis for this Order, Mr. Le Sage acknowledges and agrees that the facts set forth herein are correct:
1. Mr. Le Sage was at all relevant times licensed as a managing broker with Point Grey Properties Inc. (“Point Grey”).
  2. Mr. Le Sage’s licensing history is as follows:

Oct 4/94 – Aug 11/97	Representative, Tripan International Marketing Corp.
Aug 11/97 – Oct 15/97	Associate Broker, Magsen Realty Inc.

Sept 9/98 – Sept 8/06

Managing Broker, Point Grey Properties Inc.

3. Point Grey was licensed under the *Real Estate Services Act* as a brokerage for both trading services and rental property management with a business address of Suite 902 – 2201 Pine Street, Vancouver, B.C.
4. Mr. Le Sage was an officer and director as well as the managing broker for the brokerage. There were no other representatives licensed with the brokerage.
5. On June 2, 2006, the Council received a complaint from William Chipman, managing broker with Coronet Property Management Ltd. (“Coronet”) concerning Mr. Le Sage and the brokerage.
6. Coronet acted as property manager for two rental apartments owned by a former client of Point Grey. Coronet took over management of the two properties in November of 2005. Since November 2005 Coronet had been unable to obtain the books and records relating to the management of these properties from the brokerage and Mr. Le Sage failed to account for the balance due on one of the properties for October in the approximate sum of \$280.00 as well as a reserve fund of \$250.00 for each of the two properties for a total balance owing to the former client of approximately \$780.00.
7. On June 30, 2006 the Council received a telephone call from another former client of the brokerage, I.F., complaining that she had requested an accounting for all expenses and income from the rental property managed by Mr. Le Sage on her behalf commencing in February 2005 in order for the client to prepare her income tax return for 2005. At the time of the complaint, she had not received the accounting she had requested.
8. In May, 2006, it came to the client’s attention that the strata council had passed a strata levy due in one third increments on March 1, April 1 and May 1, 2006 in the monthly sum of \$816.43 or an aggregate amount of \$2,449.28 which amount was not paid until May 15, 2006.
9. Mr. Le Sage had not deposited the monthly rental cheques into the client’s account for March, April or May, 2006 and after deduction of the amount of the special levy the brokerage owed the client the balance of the rental income for those months in the approximate sum of \$2,900.00.
10. Between January 2005 and the termination of the property management contract on May 5, 2006, Mr. Le Sage failed to provide the client with an accounting of the rental income and any expenses paid with respect to the property to the client.

11. Despite letters dated August 22, 2006 and September 20, 2006 from the Council to Mr. Le Sage requesting responses to the two complaints lodged with the Council, Mr. Le Sage failed to provide those responses as requested.
12. Lisa Holst, manager of Audit and Investigations with the Council, had a telephone discussion with Mr. Le Sage regarding the failure of the brokerage to file its annual Accountant's Report and a meeting was scheduled between Mr. Le Sage and Council staff on June 15, 2006 at 2:00 p.m. Mr. Le Sage agreed to provide financial information with respect to the brokerage at that time. Mr. Le Sage subsequently telephoned the Council and left a message indicating that he was unavailable for this meeting.
13. A meeting was rescheduled for Mr. Le Sage to attend the Council Office on June 21, 2006.
14. Mr. Le Sage again telephoned the Council on June 21, 2006 canceling that meeting. Another meeting was scheduled for June 29, 2006 at 2:00 p.m. It was requested that Mr. Le Sage bring along to this meeting financial books and records of the brokerage.
15. Mr. Le Sage cancelled the meeting on June 29, 2006 and has not since that date provided the Council with the books and records of the brokerage.
16. While the address of the brokerage as disclosed to the Council was at all relevant times 902 - 2201 Pine Street, Vancouver, British Columbia, sometime prior to September 2005 Mr. Le Sage began to operate the brokerage from 302-5343 Yew Street, Vancouver, British Columbia. Mr. La Sage did not give the Council notice of the change of address for the brokerage.
17. Point Grey's brokerage license was cancelled on September 16, 2006 for its failure to file an Accountant's Report for the year ending August 31, 2005 by order of a Discipline Hearing Committee decision dated August 9, 2006.
18. An Order of the Council was issued June 30, 2006 suspending the licences of the brokerage and Mr. Le Sage. On July 10, 2006 a Court Order was obtained by the Council appointing D. Manning & Associates Inc. as Receiver over the trust funds of the brokerage. Based on the information provided by the Receiver there were sufficient funds in the brokerage trust account to meet the brokerage's client liability.

C. Proposed Acceptance of Findings and Waiver

1. Based on the Agreed Statement of Facts as outlined herein, and without making any admissions of liability, Stephen Edward Le Sage is prepared to accept the following findings if made against him by the Council's Consent Order Review Committee;

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- a) that he committed professional misconduct within the meaning of section 35(1)(a), section 35(1)(d), and section 35(1)(e) of the *Real Estate Services Act* in that he:
- (i) failed to be in active charge and control of the business of the brokerage contrary to sections 3-1(3)(a) and (b) of the Council Rules;
  - (ii) contravened section 25 of *Real Estate Services Act* in that he failed to maintain proper books records and accounts of the brokerage in accordance with the Act and Rules;
  - (iii) contravened section 2-19 of the Council Rules in that he failed to respond promptly in writing to a Council inquiry;
  - (v) contravened section 2.22(1)(a) of the Council Rules in that he failed to notify the Council in writing of a change of the brokerage's address;
  - (vi) contravened section 7-6 of the Council Rules in that he failed to allow the Council's review of the brokerages accounts, financial records and other records related to the dealings of the brokerage;
  - (vii) contravened section 8-7.2 (2)(a) of the Council Rules in that he failed to provide after ceasing to act for a client, records of a former client within fourteen (14) days of the last bank reconciliation that related to the account of that client;
  - (viii) contravened section 8-7.2(2)(b) of the Council Rules in that he failed to deliver property management records to the new brokerage retained by the former client within fourteen (14) days of the request of such records by the new brokerage and further failed to make or retain copies of the same;
  - (ix) while there were sufficient trust funds held by the brokerage, failed to properly account for and remit all rental monies collected on behalf of a client (I.F.);
  - (x) while there were sufficient trust funds held by the brokerage, failed to properly account for and remit all rental monies that were collected on behalf of a client (T.G.);
2. Mr. Le Sage hereby waives his right to appeal pursuant to section 54 of the *Real Estate Services Act*.

3. Mr. Le Sage acknowledges that he has a right to seek independent legal advice before signing this Agreed Statement of Facts, Proposed Acceptance of Findings and Waiver.
4. Mr. Le Sage acknowledges and is aware that the Council will publish the Consent Order and penalty herein in its Report from Council and on the Council's website.
5. Mr. Le Sage acknowledges and is aware that the Superintendent of Real Estate has the right, pursuant to section 54 of the *Real Estate Services Act*, to appeal any decision of the Council, including this Agreed Statement of Facts, Proposed Acceptance of Findings, and Waiver and Consent Order.
6. The Agreed Statement of Facts and Proposed Acceptance of Findings contained herein are made for the sole purpose of resolving a complaint being considered by the Council and for that purpose only. Such agreed statement of facts and proposed acceptance of findings cannot be used in any other proceeding of any kind.

"Jessica S. Gossen"

Jessica S. Gossen, Legal Counsel  
Real Estate Council of British Columbia

As to Part B only (Agreed Statement of Facts)

Dated 16<sup>th</sup> day of April, 2007

"Stephen Edward Le Sage"

Stephen Edward Le Sage

As to Parts A, B, C (proposed penalty, Agreed Statement of Facts, Proposed Acceptance of Findings and Waiver)

Dated 10<sup>th</sup> day of April, 2007.