

**IN THE MATTER OF: *THE REAL ESTATE BROKER ACT***

**-and-**

**IN THE MATTER OF: JEFFERY GRUBB**

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

**STAFF OF THE MANITOBA SECURITIES COMMISSION ALLEGE, AMONG  
OTHER THINGS, THAT:**

**A. REGISTRATION**

1. Jeffery Grubb ("Grubb") was at all material times registered under *The Real Estate Brokers Act* (the "Act") as an authorized official.
2. Grubb has not been registered under the Act in any capacity since August 1, 2006.

**B. DETAILS**

3. On October 5, 2004, Grubb submitted an offer to purchase (the "Offer to Purchase") to P.D. to purchase five rental properties (the "Properties"), located in Winnipeg (3) and Brandon (2). The Offer to Purchase described the Vendor as Homeland Holdings and the Purchaser as 6267131 Canada Corp operating as A-1 Property Solutions, businesses owned by P.D. and Grubb respectively.
4. The purchase price ("Price") for the Properties was not included in the Offer to Purchase. P.D. and Grubb verbally agreed P.D. would take back a mortgage against the Properties for \$90,000.00 and that Grubb would be responsible for the existing mortgages against the Properties. There were also to be adjustments on utilities, taxes and rents satisfactory to both P.D. and Grubb.
5. Notwithstanding the Offer to Purchase was not executed by P.D. and that the Price was never finalized in writing, Grubb took possession of the Properties on October 5, 2004 and assumed responsibilities for collecting rents and making utility and mortgage payments.
6. Grubb was to begin collecting rents for the Properties on November 1, 2004 and was to begin making all mortgage and utility payments on that date as well.
7. A condition of the Offer to Purchase was that the Vendor was to pay \$8,500.00 to the Purchaser for repairs to the Properties. P.D. provided Grubb with payments of \$5,000.00 (October 7, 2004), \$2,000.00 (October 13, 2004), and \$725.00 (October 31, 2004) (the "Payments") towards this obligation.

8. Grubb, however, did not use the Payments provided to him by P.D. to make the necessary repairs. Instead, Grubb spent approximately \$4,000.00 of the Payments to purchase another property through his numbered company. Grubb failed to account to P.D. as to the use of the remaining Payments.

9. In mid-November, P.D. became aware that mortgage payments were not being made, and in early December, P.D. received phone calls from utilities that bills were not being paid.

10. When P.D. investigated further, he found that foreclosure proceedings had begun against the three Winnipeg properties. As a result, P.D. took the Properties back from Grubb and was forced to sell them to avoid foreclosure and bad credit.

11. P.D. demanded an accounting of the Payments from Grubb and requested a return of the Payments. Grubb failed to provide the requested accounting and refused and/or neglected to return the Payments received to P.D.

### C. ALLEGATIONS

#### 1. Staff of the Commission allege:

(a) Grubb committed a "fraudulent act" within the meaning of the Act in connection with a trade or transaction in real estate by the failure, within a reasonable time, to account properly for, or pay over to the person entitled thereto, monies provided to him by P.D. for repairs on the Properties and instead using these funds for other purposes;

(b) Grubb committed a "fraudulent act" within the meaning of the Act in connection with a trade or transaction in real estate generally, as he engaged in any artifice, agreement, device, scheme, course of conduct or business, to obtain money, profit, or property, by any of the means hereinbefore set forth or otherwise contrary to law or by wrongful or dishonest dealing by misusing funds provided to him by P.D. for repairs on the Properties and instead using these funds for other purposes;

and as a result of the foregoing allegations The Manitoba Real Estate Association Inc. be required to pay out of the Real Estate Reimbursement Fund the sum of \$7,750.00 to P.D.

**DATED** at Winnipeg, Manitoba this 21st day of February, 2007.

Director, Legal and Enforcement

**TO: JEFFREY GRUBB**