

IN THE MATTER OF: THE REAL ESTATE BROKERS ACT

**-and-**

IN THE MATTER OF: LONDON PROPERTY MANAGEMENT  
LTD. operating as LONDON PROPERTY  
MANAGEMENT and NANCY BUSCH

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

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

**A. REGISTRATION**

1. London Property Management Ltd., operating as London Property Management (“London Property”) was incorporated under the laws of Manitoba on April 29, 1981.
2. The financial year end of London Property is May 31st.
3. London Property became registered under The Real Estate Brokers Act (the “Act”) as a broker restricted to property management activities on June 24, 1981.
4. (a) Nancy Busch (“Busch”) is the sole authorized official of London Property and has been registered in that capacity since August 22, 2003.
- (b) Pursuant to section 4 of the Act, a surety bond (the “Bond”) naming London Property as Principal and AXA Pacific Insurance Company (“AXA”) as Surety, was filed with the Registrar.

**B. REGISTRATION**

5. Pursuant to Manitoba Regulation 57/88R *The Real Estate Brokers Trust Account Regulation* under the Act (the “Trust Account regulation”) London Property is required to maintain a trust account to be operated in a manner consistent with the Act and regulations.
6. Clause 14 of the Trust Account Regulation required London Property to file the *Annual Trust Account Report* (in the form set out in the regulation) with the Registrar within four months following its the year end.
7. BUSCH, as the sole authorized official, is required to sign the Annual Trust Account Report on behalf of London Property.

8. The Annual Trust Account Report for London Property was to be filed with the Registrar on or before October 2, 2006.

9. LONDON PROPERTY failed, and has continued to fail to file the Annual Trust Account Report.

10. A review of the trust account and financial records of LONDON PROPERTY has shown unauthorized transactions involving trust monies. The nature and extent of these transactions is currently the subject of investigation by staff and will be proven at the hearing of this matter.

11. On or about October 3, 2006 the Commission issued order number 2560 freezing certain specified financial accounts of LONDON PROPERTY. This order was amended by way of Order number 2561 dated October 5, 2006.

12. The Commission suspended the registration of LONDON PROPERTY and BUSCH without notice on October 11, 2006 (order number 2563) from October 11, 2006 to October 25, 2006.

13. AXA advised by letter of October 11, 2006 of its intention to cancel the Bond. The Bond was cancelled on January 16, 2007.

### C. ALLEGATIONS

1. Staff of the Commission alleges that LONDON PROPERTY and BUSCH:

(a) Violated and continue to violate clause 14 of the Trust Account Regulation by failing to file the Annual Trust Account Report with the Registrar thereby establishing grounds pursuant to clause 16 of the regulation to suspend or cancel the registration of LONDON PROPERTY and BUSCH;

(b) LONDON PROPERTY and BUSCH misappropriated, misapplied and/or have failed to properly account for trust monies in violation of the Trust Account regulation and section 26 of the Act;

(c) LONDON PROPERTY and/or BUSCH have committed a fraudulent act as defined under the Act in relation to the handling of trust monies.

and that due to these allegations, it is in the public interest that the registration of LONDON PROPERTY and BUSCH under the Act be suspended or cancelled and that the Bond be forfeited pursuant to section 39 of the Act.

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

**DATED** at Winnipeg, Manitoba this 20th day of October, 2006 28th day of February, 2007.

Director, Legal and Enforcement

**TO: LONDON PROPERTY MANAGEMENT LTD.**

**AND LONDON PROPERTY MANAGEMENT LTD.**

**TO:**