

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

**-and-**

**IN THE MATTER OF: LORIN McLACHLAN**

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

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

**A. REGISTRATION**

1. At all material times, Lorin McLachlan ("McLachlan") was registered as a real estate salesperson under *The Real Estate Brokers Act* (the "Act").
2. McLachlan is currently registered as a real estate salesperson under the Act with Re/Max Executives Realty.

**B. DETAILS**

**K.G. and K.K.**

3. On or about March 24, 2004 McLachlan entered into an Offer to Purchase to purchase property located at 5-3862 Ness Avenue (the "Ness Property") owned by 4724438 Manitoba Ltd. ("4724438") with a possession date of May 1, 2004.
4. On or about April 26, 2004, K.G. and K.K. entered into an Offer to Purchase to purchase the Ness Property from McLachlan for the sum of \$84,900 with a possession date of May 28, 2004. McLachlan prepared the Offer to Purchase signed by K.G. and K.K.
5. McLachlan also agreed to provide K.G. and K.K. with a loan in connection with their purchase of the Ness Property to be repaid with the cash-back they would receive on their mortgage. This was not disclosed in the Offer to Purchase.
6. K.G. and K.K. did not complete the purchase of the Ness Property by the possession date of May 28, 2004.
7. On or about June 5, 2004 K.G. and K.K. became interested in purchasing the Ness Property again. McLachlan agreed to sell them the Ness Property with a possession date of June 22, 2004. All other terms of the New Offer ("New Offer to Purchase") were the same as the previous Offer to Purchase referred to in paragraph 3 hereof, including the loan.
8. The New Offer to Purchase was not in writing.

9. K.G. and K.K. did not complete the purchase of the Ness Property under the New Offer to Purchase.

10. McLachlan did not inform her broker that she was selling the Ness Property to K.G. and K.K. Further, she did not inform her broker she was purchasing the Ness Property prior to her purchasing this property.

**C.A.**

11. On or about October 15, 2005, C.A. was referred to McLachlan by a colleague to assist C.A. in purchasing a home.

12. On or about January 12, 2006, C.A. executed an Offer to Purchase prepared by McLachlan to purchase property located at 312 Ainslie Street (the "Ainslie Property"). This Offer to Purchase was conditional upon C.A. obtaining mortgage financing (the "mortgage financing condition") and the purchase price was left blank.

13. C.A. and McLachlan, prior to C.A. signing the Offer to Purchase, had a verbal discussion as to the price C.A. was willing to pay for the Ainslie Property which was between \$155,000 and \$158,000. McLachlan advised C.A. to leave the purchase price section of the Offer to Purchase blank. C.A. instructed McLachlan not to insert a purchase price into the Offer to Purchase without C.A.'s prior authorization.

14. Prior to signing the Offer to Purchase for the Ainslie Property, C.A. told McLachlan that she would be leaving Winnipeg on January 13, 2006 to go to Mexico and not returning until January 16, 2006. C.A. left McLachlan instructions on how to reach her by telephone.

15. The closing for acceptance of offers on the Ainslie Property was January 14, 2006.

16. McLachlan submitted the Offer to Purchase signed by C.A. to the listing broker on January 14, 2006. A purchase price of \$158,000 was inserted into the Offer to Purchase signed by C.A. at McLachlan's direction. C.A. did not authorize the insertion of the \$158,000 purchase price into the said Offer to Purchase.

17. C.A. was advised by McLachlan on January 16, 2006 by phone that her offer of \$158,000 for the Ainslie Property was accepted.

18. On January 17, 2006, C.A. received a copy of the accepted Offer to Purchase and noticed the mortgage financing condition was removed and initials, purporting to be C.A.'s, were inserted onto the Offer to Purchase alongside the mortgage financing condition.

19. C.A. did not authorize removal of the mortgage financing condition nor did she initial the Offer to Purchase to remove this condition.

20. C.A. did not proceed with the purchase of the Ainslie Property.

## C. ALLEGATIONS

1. Staff of the Commission allege that McLachlan is not fit for registration under the Act due to the following allegations:

(a) In connection with her sale of the Ness Property to K.G. and K.K., McLachlan violated s.15(3)(b) of the Act in that she failed to notify her broker of a proposed trade before entering into it;

(b) In connection with the Ness Property transaction McLachlan violated s. 21(1) and 22(1) of the Act in that she failed to prepare the New Offer to Purchase in writing as required;

(c) In connection with the Ness Property transaction, McLachlan violated s. 22(1)(f)(iv) of the Act in that she promised to loan K.G. and K.K. money in relation to their purchase of the Ness Property and failed to make disclosure of the loan as required;

(d) In connection with the Ainslie Property transaction, McLachlan committed a "fraudulent act" within the meaning of the Act by submitting an Offer to Purchase for the said property which removed the mortgage financing condition without C.A.'s authorization or consent;

(e) In connection with the Ainslie Property transaction, McLachlan committed a "fraudulent act" within the meaning of the Act by causing to be inserted into the Offer to Purchase for the said property a purchase price of \$158,000 without C.A.'s authorization or consent;

(f) In connection with the Ainslie Property transaction, McLachlan violated section 22(1)(d) of the Act by having C.A. execute an offer to purchase which did not show the price offered by the Offeror;

(g) As to any or all of the foregoing, McLachlan acted contrary to the best interests of her clients and/or contrary to industry standards;

(h) Such further and other matters as counsel may advise and this Commission permits.

**DATED** at Winnipeg, Manitoba this 18th day of May, 2007

**Director, Legal and Enforcement**

**TO: LORIN MCLACHLAN**