

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

**-and-**

**IN THE MATTER OF: MICHAEL PETER PEREHINEC**

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

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

**A. REGISTRATION**

1. Michael Peter Pehinec ("Pehinec") has been registered under The Real Estate Brokers Act ("REBA") as a salesman since February 1, 1983 to present.
2. Pehinec is currently employed as a real estate salesman by Royal LePage Dynamic Real Estate.

**B. DETAILS**

3. At all material times the real estate property in question was a condominium unit situated in Winnipeg, Manitoba ("Property").
4. At all material times, Mr. P resided outside of the Province of Manitoba.
5. On or about October 15, 2004, Pehinec completed an Offer to Purchase on the Property with himself as the purchaser and Mr. P as the vendor for a purchase price of \$39,000 and a possession date of November 1, 2004 ("Offer A").
6. In Offer A, no listing or selling brokers or salesmen were named.
7. When Mr. P completed Offer A, he was relatively uninformed with regard to the Winnipeg housing market and relied upon Pehinec's experience as a real estate salesman to guide him properly.
8. Pehinec failed to disclose pertinent information to Mr. P as to the fair market value of the Property at the time Offer A was completed.
9. On October 15, 2004, Offer A was accepted.
10. On November 8, 2004, title to the Property was transferred to Pehinec ("The Purchase").

11. On or about November 15, 2004, Pehinec drafted an Offer to Purchase with himself as vendor and Mr. A as the purchaser for a purchase price of \$68,000 and a possession date of December 1, 2004 ("Offer B").
12. In Offer B, no listing or selling brokers or salesmen were named.
13. After some negotiation as to price, Pehinec sold the Property to Mr. A for \$66,000.
14. On December 3, 2004, title to the Property transferred from Pehinec to Mr. A ("The Sale").
15. Neither The Purchase nor The Sale were made through a registered broker.
16. Pehinec did not inform his employing broker of the proposed trades before entering into The Purchase or The Sale.
17. Pehinec did not report The Purchase or The Sale in writing to his employer as soon as the trades were completed.
18. As a result of The Purchase and The Sale, Pehinec generated a gross profit of \$27,000 on the Property purchased by him for \$39,000.

### C. ALLEGATIONS

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

(a) acted in a manner not in accordance with industry standards and contrary to the interests of Mr. P by failing to disclose the fair market value of the Property at the time of The Purchase;

(b) dealt in real estate for his own account contrary to subsection 15(1) of REBA, by purchasing the Property with a view to reselling it at a profit;

(c) traded in real estate for his own account contrary to subsection 15(4) of REBA;

and that due to these allegations, it is in the public interest that the registration of Pehinec under REBA be suspended or cancelled.

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

**DATED** at Winnipeg, Manitoba this 19th day of March, 2007.

Director, Legal and Enforcement