

Citation: RIF - Rent It Furnished Inc. (Re),  
2024 BCSRE 50  
Date: 2024-07-25  
File No. INC-5043

**BC FINANCIAL SERVICES AUTHORITY**

**IN THE MATTER OF THE REAL ESTATE SERVICES ACT  
SBC 2004, c 42 as amended**

**AND IN THE MATTER OF**

**RIF**

**RIF – RENT IT FURNISHED INC. dba RENT IT FURNISHED REALTY  
(X029887)**

**REASONS FOR ORDER IN URGENT CIRCUMSTANCES AND  
ORDER TO FREEZE PROPERTY**

**[These Reasons have been redacted before publication.]**

**Date of Hearing:**

Written Submissions Received  
July 22, 2024

**Counsel for BCFSA:**

Michael Jones  
Laura Forseille

**Hearing Officer:**

Andrew Pendray

## Introduction

1. The BC Financial Services Authority (“BCFSA”) brings, pursuant to sections 45 and 46 of the Real Estate Services Act (“RESA”), a without notice application seeking to freeze the property in seven trust accounts held by RIF – Rent It Furnished Inc. (“RIF”).
2. This matter relates to RIF’s ability to maintain its trust accounts.
3. RIF is licensed under RESA to provide trading and rental services, and has been so licensed since 2010. On August 22, 2023, RIF entered into a consent order (the “August 2023 Consent Order”) with the Superintendent of Real Estate (the “Superintendent”) agreeing to provide monthly reconciliations of its trust accounts for a twelve month period<sup>1</sup>.
4. BCFSA takes the position that since entering into the consent order, RIF has continued to provide monthly reconciliation documents that are inaccurate, unreliable, and fail to accord with the rules set out in the Real Estate Services Rules (the “Rules”), to the point that RIF should not be considered to be in compliance with the August 2023 consent order.
5. As a result of the ongoing issues it has identified with RIF’s trust accounts, BCFSA submits that it is in the public interest to freeze RIF’s trust accounts and suspend RIF’s licence under RESA.
6. This application was heard by way of written submissions.

## Issues

7. The issues are:
  - Should an interim order suspending RIF’s licence be issued pursuant to section 45(2) of RESA?
  - Should an order freezing RIF’s trust accounts be issued pursuant to sections 46(2) and 46(3) of RESA?

## Jurisdiction and Procedure

8. Pursuant to section 2.1(3) of RESA the Superintendent may delegate any of its powers. The Chief Hearing Officer and Hearing Officers of the Hearings Department of BCFSA have been delegated the statutory powers and duties of the Superintendent of Real Estate with respect to sections 42 through 53 of RESA.

## Background and Evidence

9. The evidence and information before me in this application consists of four affidavits from BCFSA staff<sup>2</sup>, and documentary information that is attached to those affidavits.

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<sup>1</sup> Zarrabian (Re), 2023 BCSRE 26.

<sup>2</sup> The affidavits are as follows: [Auditor 1], Senior Auditor with BCFSA, Affidavit #1 dated July 22, 2024, Affidavit #2 dated July 22, 2024; [BCFSA Staff 1], Legal Co-op Student with BCFSA, dated July 9, 2024; [Auditor 2], Director of Audit and Assurance with BCFSA; dated July 15, 2024.

*RIF*

10. As noted above, RIF is a brokerage licensed under RESA to provide trading and rental property services, and has been so licensed since November 29, 2010. During its time in operation, RIF has had 12 managing brokers, and it currently employs five licensees.
11. [Director 1] is an officer, director, and owner of RIF, and has been since RIF was first licensed.
12. From September 5, 2023 to June 20, 2024, RIF's managing broker was [Managing Broker 1]. Previously, the managing broker was [Managing Broker 2], who was managing broker of RIF from October 11, 2016 to December 22, 2017 and from February 19, 2018 to August 25, 2023.
13. [Managing Broker 1] surrendered his license under RESA on June 20, 2024. RIF's current managing broker is [Managing Broker 3], who commenced at RIF on July 8, 2024.

*Pre August 2023 Consent Order*

14. Prior to entering into the August 22, 2023 consent order, RIF had experienced previous issues with respect to its bookkeeping and record keeping, and had entered into a consent order in April 2016 relating to compliance issues with RIF's records and trust account management.
15. In his affidavit [Auditor 1], senior auditor with BCFSA, explains that due to deficiencies that had been observed in previous audits of RIF in 2014, 2016, 2017, and 2020, as well as recurring exceptions noted in RIF's Accountant's Report filings for the 2021 and 2022 fiscal years, BCFSA commenced a further audit of RIF in May 2023.
16. [Auditor 1] indicated that during the audit he had determined that RIF was operating six trust accounts as follows:
  - [Bank 1], [Account Number Redacted], Rent Trust Account ("**Rent Trust [Account 1]**")
  - [Bank 1], [Account Number Redacted], Security Trust Account ("**Security Trust [Account 2]**")
  - [Bank 1], [Account Number Redacted], Deposit Trust Account (aka. Tenant Placement "TP" Deposit Trust Account) ("**Tenant Placement Deposit Trust [Account 3]**")
  - [Bank 1], [Account Number Redacted], Commission Trust Account (aka. TP Commission Trust Account) ("**Tenant Placement Commission Trust [Account 4]**")
  - [Bank 1], [Account Number Redacted], Pooled Trust Account (aka. TP Pooled Rent Trust Account) ("**Tenant Placement Rent Trust [Account 5]**")
  - [Bank 1], [Account Number Redacted], Commission Trust Account ("**Commission Trust [Account 6]**")

17. [Auditor 1] further indicated that when he had attended RIF for an in-person interview as part of the May 2023 audit, he had been informed by [Accountant 1], RIF's accountant, that RIF had another trust account, with [Bank 1], [Account 7], which was inactive.
18. [Auditor 1] indicated that during an exit interview with auditors, RIF had indicated that all requested documents and responses to auditor questions would be ready and available to BCFSAs by June 29, 2023.
19. On [Auditor 1]'s evidence, RIF did not in fact provide the required documents by that date, and BCFSAs issued a Non-Compliance Warning Letter to RIF on July 14, 2023. [Auditor 1] indicated that on July 17, 2023 RIF submitted a partial response to the information that had been requested by auditors, addressing four of the 27 requests for outstanding information and/or documents, without providing a written explanation to the auditors' questions.
20. [Auditor 1] indicated that upon reviewing the new information provided by RIF, the BCFSAs auditors had identified a number of variances, including large variances between RIF's trust liability listings and the amount of money in each of the trust accounts. These included a shortage of \$299,872.00 in the Security Trust [Account 2] account, and a discrepancy of \$543,616.15 between the March 2023 reconciled bank balance and the Trust Asset and Liability Reconciliations ("TLAR") for Rent Trust [Account 1].
21. On July 20, 2023 [Auditor 1] wrote to RIF indicating that it was required to resolve the above noted shortages and discrepancy by July 26, 2023.
22. RIF replied to [Auditor 1] on July 21, 2023, providing a revised bank reconciliation and TLAR, and indicating that in its view no immediate actions were required to correct its overages, and that there were no reported shortages in their view.
23. [Auditor 1] indicated that upon reviewing the revised TLAR for Rent Trust [Account 1], he had identified a number of further issues including:
  - Entries related to owner float, prepaid rent, and unclaimed funds, totaling \$693,599.43, were not allocated to individual trust ledgers;
  - Security deposits, totaling \$149,983.28 were transferred from Rental Trust [Account 1] to Security Trust [Account 2] in June 2023 without supporting details; and
  - Manual inclusion of unsupported numbers observed in the revised TLAR total for Rent Trust [Account 1]: \$180,639.97 in cell #B439 within the 'TLAR – [Account 1] Pooled Trust' and \$429,356.11 in cell #B405 within the 'Accounts to Close (reverse out)' spreadsheets.
24. [Auditor 1] indicated that he considered the revised TLAR and response from RIF as having been unsatisfactory.

#### *August 2023 Consent Order*

25. As noted above, on August 23, 2023 RIF entered into a consent order with the Superintendent in relation to the identified trust shortages.
26. That consent order indicated that RIF and [Managing Broker 2] (RIF's then managing broker), would pay an administrative penalty of \$17,000, enforcement expenses of \$1,500, and that [Managing Broker 2] would complete the broker's remedial course.

27. More importantly, for the purposes of this application, the August 2023 Consent Order indicated the following ongoing requirements:

4. The Brokerage to provide BCFSA monthly reconciliation[s] of the Brokerage's trust accounts for a period of twelve (12) consecutive months commencing September 2023. Each monthly trust reconciliation is to be received by BCFSA no later than the end of the month following the month to which the trust reconciliation relates.

...

6. If either [Managing Broker 2] or the Brokerage fails to comply with any of the terms of the Order set out above, the Superintendent may suspend or cancel their licence without further notice to them.

*Post August 2023 Consent Order*

28. [Managing Broker 2]'s employment with RIF terminated on August 24, 2023. [Managing Broker 1] commenced as managing broker for RIF on September 5, 2023.
29. BCFSA continued to engage with RIF regarding its trust account reconciliations subsequent to the issuing of the August 2023 Consent Order.
30. [Accountant 1], the accountant for RIF, provided BCFSA with documents purporting to be RIF's September 2023 trust reconciliation on October 27, 2023.
31. The first version of RIF's September 2023 trust reconciliation report did not provide bank statements as required.
32. RIF provided BCFSA with the bank statements for six trust accounts, the Commission Trust [Account 6], Rent Trust [Account 1], Security Trust [Account 2], Tenant Placement Deposit Trust [Account 3], Tenant Placement Commission Trust [Account 4], and the Tenant Placement Rent Trust [Account 5], on October 30, 2023.
33. Another BCFSA senior auditor, [Auditor 3], emailed RIF on November 8, 2023, noting a number of issues with the September 2023 reconciliations including:
- The Tenant Placement Rent Trust [Account 5] monthly general ledger provided to BCFSA appeared to have been manually modified to reflect the bank statement balance;
  - The Rent Trust [Account 1] bank account month end balance was \$45,315.26 less than the general ledger balance reported by RIF; which RIF had identified as an "excess of trust funds to be returned"; and
  - The Security Deposit Trust [Account 2] bank account balance of \$146,751.59, which was less than the general ledger balance of \$151,065.80, which were again identified by RIF as an "excess of trust funds to be returned".
34. [Auditor 3] also noted in her November 8, 2023 email that a number of RIF's bank account documents (TP Trust Account [Account 5], TP Commission Trust Account [Account 4], TP Security Deposit Trust Account [Account 3]) did not indicate that they related to trust accounts as required by section 72(3) of the Rules.

35. Of particular interest is RIF's explanation regarding the "excess trust funds to be returned". RIF's accountant, [Accountant 1], in a November 15, 2023 email to BCFSA explained that during the audit RIF had identified a number of unclaimed pooled rent payments dating to previous years, and that RIF intended to proceed with contacting/attempting to contact the recipients of these uncashed funds. RIF provided the same explanation with respect to the security deposit trust account discrepancies.
36. [Auditor 3] replied, in a November 17, 2023 email, and indicated that if she were to accept RIF's explanation for the discrepancies between the bank account balance and the general ledger balance, that being that RIF held an excess of trust funds to be returned to clients, she would have expected the bank account balance to be higher than the general ledger amount, not the inverse which is what RIF had provided. As [Auditor 3] explained with respect to the Rent Trust [Account 1]:

With your explanation, this indicates that the unclaimed money in a total of \$47,436.31...was not in the bank account as of September 30, 2023. And this would be a shortage of trust funds.
37. [Auditor 3] noted the same issue with the Security Trust [Account 2] account.
38. [Auditor 3] and [Accountant 1] continued to exchange emails regarding the September 2023 trust reconciliations (the "September 2023 TLAR") through December 2023. In a December 6, 2023 email, [Auditor 3] indicated that she had reviewed all of the documents and explanations RIF had provided for the September 2023 reconciliations and that she did not find them satisfactory.
39. Specifically, [Auditor 3] indicated that she was unable to trace unclaimed money and that her efforts to do so continued to indicate a shortage of trust funds. [Auditor 3] requested that RIF advise where the unclaimed money RIF had indicated was related to those apparent shortages was in fact located.
40. As a result of that request, RIF provided a further TLAR response for September 2023 on December 13, 2023.
41. On January 8, 2023 [Auditor 3] responded, noting that when BCFSA had compared the December 13, 2023 TLAR to the October 30, 2023 TLAR for the September 2023 period, significant differences had been identified. [Auditor 3] indicated that as a result BCFSA was requesting explanations for each of the differences BCFSA had identified.
42. [Auditor 1] indicated that when he had reviewed the December 13, 2023 TLAR, he had particular concern with the general ledger for Rent Trust [Account 1]. [Auditor 1] indicated that it appeared to him that RIF had inserted a "plug", that is a cell that was intended to appear blank but in fact contained numbers, in order to make the record add up to a particular sum when the numbers that are actually showing do not add up to that number.
43. BCFSA and RIF continued to engage in discussion over the September 2023 TLAR, and on January 19, 2024 [Accountant 1] provided another updated response to BCFSA. [Auditor 1] indicated that the January 19, 2024 TLAR response continued to not address BCFSA's concerns, and did not address the "plug" that [Auditor 1] had identified in the December 13, 2023 TLAR. [Auditor 1] indicated that he had, by that date, become extremely concerned with RIF's accounting practices.

44. On February 8, 2024 [Managing Broker 1], then managing broker at RIF, wrote to BCFSA and indicated that he was “losing faith in our accounting [department]” and indicating that he considered that an audit by BCFSA would be “wise”.
45. On February 9, 2024 [Director 1] wrote to BCFSA explaining efforts she had been taking to improve RIF’s trust accounting, and including yet another version of the September 2023 TLAR.
46. BCFSA replied to that February 9, 2024 version of the September 2023 TLAR on March 8, 2024, and noted further issues arising from that reporting. Specifically, BCFSA noted:
  - a \$42,436.31 trust shortage in the Rental Trust [Account 1] as of September 30, 2023;
  - a \$20,166.98 shortage in Security Trust [Account 2] as of September 30, 2023; and
  - a negative balance of \$1,550 for a rental property.
47. After receiving an initial reply from RIF on March 12, 2024, which BCFSA deemed unsatisfactory, BCFSA received a further reply from [Director 1] on March 13, 2024 indicating that she had replenished the funds and would retain outside accountants to sort out the discrepancies.
48. On March 21, 2024 [Director 1] informed BCFSA that [Accountant 1] would no longer be involved in the creation of any reporting, and that its external accountant would be providing a report shortly.
49. [Auditor 1] indicated in his affidavit that to his knowledge no such report had been received by BCFSA.
50. [Auditor 1] further noted that BCFSA received, on March 29, 2024, a “completed and executed bank reconciliation and trust asset liability report” for RIF for the period of February 2024, but that the bank reconciliations and TLAR’s did not include a preparation date, and were not signed off by either the managing broker [Managing Broker 1], or anyone else at RIF.
51. On April 30, 2024 RIF sent BCFSA its March 2024 submissions in order to comply with the August 2023 Consent Order. [Auditor 1] again noted that none of the documents were dated or signed off on by [Managing Broker 1] or anyone else at RIF.
52. Of note, in her April 30, 2024 email providing the March 2024 submission to BCFSA, [Director 1] indicated that she was submitting the reports in order to ensure that RIF was meeting their requirements under the August 2023 Consent Order but that based on RIF’s internal audit of September 2023’s accounts, the reports would need to be re-submitted. [Director 1] further confirmed that [Accountant 1] was no longer the accountant for RIF.
53. BCFSA wrote to RIF on May 24, 2024. In that letter BCFSA indicated that it considered RIF to be in breach of the August 2023 Consent Order, as it had failed to provide complete and accurate monthly reconciliations for the months from September 2023 through March 2024. BCFSA noted that the August 2023 Consent Order provided that the Superintendent may suspend or cancel RIF’s licence without further notice.
54. [Managing Broker 1] informed BCFSA that he was resigning from RIF in a May 27, 2024 email. In that email [Managing Broker 1] noted that he had been attempting to hire a new controller for RIF since January 2024 but that [Director 1] had insisted that [Accountant 1] was capable.

55. On May 28, 2024 [Director 1] emailed BCFSA, and included what she described as “working papers” that RIF was waiting for its external accountants to review prior to submitting those documents for review and acceptance by BCFSA as the basis for all RIF reporting going forward.
56. [Auditor 1] indicated that having undertaken a “ cursory review” of the “working papers” provided by RIF on May 28, 2024, the bank reconciliations and TLAR’s were again not signed off, and as a result it was unclear who had prepared and reviewed them. [Auditor 1] further indicated that he was unable to thoroughly review the bank reconciliations for two of the trust accounts because they were combined. [Auditor 1] also indicated that from his review of the bank reconciliations and TLAR tabs he had noted significant discrepancies for the TLAR balances as compared to the previous versions as of September 30, 2023 as follows:
- The Rental Trust [Account 1] TLAR balance decreased from \$609,455.83 to \$325,267.86;
  - The Security Trust [Account 2] TLAR balance increased from \$150,550.00 to \$406,081.21. As a result, there is a trust shortage of \$259,329.62 in the Security Trust [Account 2] account; and
  - 94 rental properties were newly added and also combined, amounting to \$130,641.67.
57. Finally, [Auditor 1] noted that RIF’s consolidation of Rental Trust [Account 1] and Security Trust [Account 2] created the appearance of a surplus in the amount of \$8,489.78, but that in fact this consolidation was concealing an actual shortage of \$259,329.62 in the Security Trust [Account 2] account.
58. [Auditor 1] indicated that BCFSA also received RIF’s April 2024 bank reconciliation and TLAR on May 30, 2024, and that once again that submission from RIF had not been dated or signed off by anyone. In her email making that submission on behalf of RIF, [Director 1] once again indicated that RIF intended to re-submit the April 2024 report once it had approval from BCFSA of a base line from which to move forward from September 2023’s submission.
59. On June 27, 2024 BCFSA received RIF’s May 2024 bank reconciliation and TLAR. In providing that submission [Director 1] indicated that it was still based on the “old” general ledger (which BCFSA had repeatedly identified issues with), and that RIF’s new controller was working to ensure that audited files would be up to date by the end of July.
60. [Auditor 1] indicated that upon his review of the May 2024 submission from RIF, he had significant concerns regarding the reliability and accuracy of those records. Specifically, he noted the following:
- a) May 2024 Bank Reconciliation
    - The origin of the opening balance for the new general ledger (“**GL**”) remains unclear.
    - The reconciliation includes balances from both the new GL and two old GLs, which raises questions.
    - The trust liability and asset reconciliation (“**TLAR**”) is reconciled to the closing bank balance and not the general ledger (“**GL**”) balance.
    - Discrepancies exist between the April 2024 ending GL balance (\$1,073,252.06) and the May 2024 opening GL balance (\$1,063,870.13).



- The opening GL balance stated in the bank reconciliation (\$1,066,870.12) does not align with either the April 2024 ending GL balance or the May 2024 opening GL balance.

- Similarly, the ending GL balance in the May 2024 bank reconciliation (\$1,099,848.51) does not match the May 2024 ending GL balance (\$1,096,848.52).

b) May 2024 TLAR

- There are significant discrepancies such that I consider the documents to be unreliable, including what appears to be manual manipulations of numbers. For example:

- The “Prepaid Rents” for 146 properties, totaling \$1,468,635.01, were included in ‘**A- 1Netsuite Data - Prepaid Rent**’, a spreadsheet provided in the May 2024 Submissions, but were missing in the TLAR.

- 32 plugs were used for “Prepaid Rents” in the TLAR, totaling \$538,112.65...For example, an equation referencing a property located at [Property 1] – 1116 – Furnished includes a ‘plug’ of \$223.79 that was inserted by the author and not based on any real figure. This number was solely added to ensure that the reconciliation totaled a specific number.

- 5 unsupported items in ‘**A-1Netsuite Data - Prepaid Rent**’ were missing in the TLAR, amounting to \$550. These items had the following descriptions, “Adjusting open balance of trust liability”, “Adjustment of liability report”, “I don’t see this in the journal”, “No info”, and “280341 extra funds from Sec Trust to RIF.”

- The total trust liabilities appear to be incorrect due to the hidden exclusion of pet deposits, last months’ rent, and key deposits totaling \$65,487.50.

- In summary, there appear to be manual deletions of certain cells and additions using plugs in order to match the TLAR total of \$776,662.82 to the closing balance as at May 31, 2024 in the May 2024 Bank Reconciliation.

61. In summary, [Auditor 1] indicated that based on his review of all of the documents provided by RIF, he was not satisfied that any of the versions of the September 2023 TLAR’s were accurate. [Auditor 1] reiterated that he was of the view that an employee of RIF had used a plug to attempt to deceive BCFSA, and that the level of inaccuracy and deception had made it difficult to review RIF’s records.

62. [Auditor 1] indicated that as a result, he was simply unable to determine if RIF was carrying sufficient funds to cover its trust liabilities.

*July 8, 2024 Non Compliance Warning Letter*

63. BCFSA issued a further non-compliance warning letter to RIF on July 8, 2024, in relation to the May 2024 trust reconciliations. That letter required that RIF provide accurate and reliable trust reconciliations by July 11, 2024.

64. [Managing Broker 3], RIF's current managing broker, provided submissions to BCFSA in response to the July 8, 2024 non-compliance warning letter on July 11, 2024.
65. [Auditor 1] reviewed those submissions. He once again concluded that there were significant concerns regarding the reliability and accuracy of the submissions from RIF. [Auditor 1] concluded that the July 11, 2024 submissions from RIF were incomplete, and included significant discrepancies that were unsupported by any accompanying explanation or documentation. [Auditor 1] noted that the reconciliations that were provided were once again not signed off by the managing broker or a designate.
66. [Auditor 1] expressed in his affidavit that due to the ongoing issues with the reliability of the books and records provided by RIF, he was concerned that there were additional trust shortages, but that he could not determine whether there in fact were because the reports provided by RIF made a fulsome review impossible to conduct.
67. In a July 15, 2024 affidavit BCFSA's Director of Audit and Assurance, [Auditor 2], indicated that having been advised by her staff, including [Auditor 1] and [Auditor 3], she was of the view that the books and records submitted by RIF since May 2023 have not been acceptable and in accordance with RESA and the Rules, specifically sections 72, 79, 80, and 81 of the Rules.
68. [Auditor 2] noted that RIF had advised BCFSA that its accounting staff had not been keeping an accurate ledger, and that as a result RIF would not be able to provide reconciliations in accordance with RESA and the Rules.
69. [Auditor 2] noted that although she was not aware of any complaints from the public regarding missed payments from RIF to owners or tenants, it was not currently possible for BCFSA to perform its oversight functions and determine, based on the account statements provided by RIF, whether funds which were supposed to be held in trust were missing or not.
70. [Auditor 2] indicated that she was of the view that there was an ongoing and significant risk that RIF was not holding sufficient trust funds to cover its trust liabilities; that it was not properly managing its trust funds, thereby creating the potential for further inaccuracies including shortages; and that there was a risk that trust funds may be misappropriated, either intentionally or accidentally.

## Discussion

### *Should an interim order suspending RIF's licence be issued?*

71. I have determined that an interim order suspending RIF's licence should be issued. My reasons for having reached this conclusion follow.

### Applicable Law

72. Section 45(2) of RESA provides that the Superintendent may, by order, suspend a licensee's licence, impose restrictions or conditions on the licensee's licence; and/or require the licensee to cease or carry out any specified activity related to the licensee's real estate business if:
  - The Superintendent believes on reasonable grounds that there has been conduct in respect of which the Superintendent could make an order under section 43 (discipline orders) against a licensee, and
  - the Superintendent considers that:

(i) the length of time that would be required to complete an investigation or hold a discipline hearing, or both, in order to make such an order would be detrimental to the public interest, and

(ii) it is in the public interest to make an order under this section against the licensee.

73. Section 45(3) provides that the Superintendent may make an order under section 45(2) regardless of whether a notice of discipline hearing has been issued, without giving notice to the licensee, and without providing the licensee an opportunity to be heard.
74. In assessing evidence when considering whether to make an order pursuant to section 45 of RESA, the Superintendent is not making final findings of fact. Rather, the consideration is a “provisional” assessment of evidence, in order that the Superintendent may consider if, among other things, there has been conduct in respect of which a discipline committee could make an order under section 43: *Brown (Re), Reasons for Order in Urgent Circumstances*, March 28, 2019 (BC REC).
75. The BC Court of Appeal, in *Scott v College of Massage Therapists of British Columbia*, 2016 BCCA 180, considered the imposition of interim conditions by the College of Massage Therapists of British Columbia under section 35 of the *Health Professions Act*. In *Scott*, the court held that the imposition of interim conditions or a suspension under the *Health Professions Act* could occur where there was a prima facie case supporting the allegations, and, where based on the material before the inquiry committee, the evidence established that the public required immediate protection through an interim order.
76. I consider the approach set out in *Scott* to have application in determining whether to issue an order under section 45(2), and that in making such a determination there are two questions which must be considered:
- Is there a prima facie case that supports a conclusion that the licensee has committed professional misconduct or conduct unbecoming a licensee as contemplated by section 43(1) of RESA?
  - If so, are the circumstances of the prima facie case urgent, such that the public must be protected by the issuing of an interim order?
77. I turn to a consideration of each of the above noted questions.

Is there a prima facie case that supports a conclusion that RIF has committed professional misconduct or conduct unbecoming a licensee as contemplated by section 43(1) of RESA?

78. I find that there is, based on the evidence and information before me, a prima facie case which supports a conclusion that RIF committed professional misconduct under section 35(1) of RESA, such that the Superintendent could make an order under section 43 of RESA.
79. Section 35(1) of RESA sets out that a licensee commits professional misconduct if a licensee:
- (a) contravenes this Act, the regulations under this Act or under section 43 [regulations for residential real property right of rescission] of the Property Law Act or the rules;
  - (b) breaches a restriction or condition of the licence;

- (c) does anything that constitutes wrongful taking or deceptive dealing;
- (d) demonstrates incompetence in performing any activity for which a licence is required;
- (e) fails or refuses to cooperate with an investigation under section 37 [investigations of licensees];
- (f) fails to comply with an order of the superintendent;
- (f.1) fails to comply with an undertaking that the licensee gave under section 53.1;
- (g) makes or allows to be made any false or misleading statement in a document that is required or authorized to be produced or submitted under this Act.

80. Here, BCFSA submits that the evidence indicates that RIF has committed ongoing breaches of sections 72, 79, 80, and 81 of the Rules, as well as having breached the August 2023 Consent Order.

81. Section 72(b) sets out that for each trust account of a brokerage, the monthly reconciliation under section 80(b) of the Rules and the monthly trust liability and asset reconciliation under section 81(b) of the Rules must be reviewed, dated, and initialed by a related managing broker or a person designated by a related managing broker.

82. As set out above, RIF repeatedly provided monthly reconciliations relating to trust accounts and TLARs that were not dated and initialed by a managing broker. This appears to be a breach of the Rules on its face, and, pursuant to section 35(1)(a) of RESA, constitutes professional misconduct.

83. Section 79 of the Rules sets out that a brokerage must retain financial records that must show and readily distinguish:

...

- (c) the amount of money held or received on behalf of each other person including, if applicable, an indication of whether it was held or received on behalf of the person as a principal or as a licensee,
- (d) the amount of money paid to or on behalf of each other person including, if applicable, an indication of whether it was paid to the person as a principal or as a licensee,
- (e) the total amount of money held or received for or on behalf of other persons, and
- (f) the total amount of money paid to or on behalf of other persons.

84. Section 80 sets out that a brokerage must:

- (a) retain all banking records,
- (b) prepare and retain a record showing amounts received and disbursed, the reason for the receipt or disbursement and any unexpected balance, and

(c) prepare and retain monthly reconciliations of banking statements with the record referred to in paragraph (b), prepared in a timely fashion but no later than 5 weeks after the end of the month being reconciled.

85. Section 81 sets out that, for each pooled trust account maintained by a brokerage, the brokerage must prepare and retain:
- Section 81(a): separate trust ledgers in respect of money held or received on account of rental property management services, a separate trust ledger for each principal that shows all amounts received and disbursed in relation to the principal, and any unexpended balance in relation to the principal;
  - Section 81(b): a monthly trust liability and asset reconciliation prepared in a timely fashion but no later than 5 weeks after the end of the month being reconciled (i) that lists, for money held by the brokerage as a stakeholder, each trade in real estate in relation to which the brokerage holds the trust money and the amount being held in relation to each trade, (ii) that lists, for money that is not held by the brokerage as a stakeholder, each person for whom the brokerage holds trust monthly and the amount being held for each person, and (iii) that reconciles the money held in the trust account with the unexpended balances in the trust ledgers for the account.
86. In reaching my conclusion that there is a prima facie case showing that RIF has committed professional misconduct by way of contravening the Rules in respect of its accounting practices, I acknowledge that this application proceeded on a without notice basis, and that RIF was therefore not provided the opportunity to give evidence which may have suggested that the allegations brought by BCFSA were manifestly unfounded or exaggerated, as contemplated by the court in *Scott*.
87. However, I note that included in the affidavit evidence before me was documentary evidence in the form of email correspondence between RIF and BCFSA for the period from September 2023 through July 2024. Given the ongoing correspondence between BCFSA and RIF from September 2023 through July 2024, I am of the view that this is not a case in which RIF would have provided evidence to indicate that BCFSA's allegations were manifestly unfounded or exaggerated.
88. On its face, the documentary evidence contained in the emails between the parties shows that RIF has repeatedly provided BCFSA with financial records that contain unexplained discrepancies, indicate a shortage of trust funds, and use "plugs" in general ledgers to attempt to make the records add up to sums that the numbers on the ledger do not add up to. There is also, in the more recent emails from [Director 1] to BCFSA, a general acknowledgment by RIF that the reports it was submitting would need to be re-submitted as they likely were not accurate.
89. In my view, on a provisional assessment of the evidence, all of the above supports the conclusion that RIF's accounting practices were in breach of its obligations under section 79, 80, and 81 of the Rules, and pursuant to section 35(1)(a) of RESA, those breaches constitute professional misconduct.
90. In reaching the conclusion that the evidence appears to show, on its face, that RIF was in breach of its obligations under section 79, 80, and 81, I note that RIF might argue that it was in fact attempting to comply, given that it consistently sent in month reconciliations and TLARs to BCFSA. I consider, however, that the fact that those monthly reconciliations and TLARs continuously showed the various issues above, demonstrates that RIF was in fact not in compliance with the requirements of the Rules.

91. Simply put, I do not consider a party can reasonably argue that they are in compliance with the Rules by simply providing inaccurate or incomplete financial information on an ongoing basis.
92. For similar reasons, I consider on a prima facie basis that RIF can be seen as having committed professional misconduct as contemplated by section 35(1)(f) of RESA in that it failed to comply with the August 2023 consent order, which required it to provide the monthly reconciliations of the Brokerage's trust accounts.
93. Again, while RIF has provided reconciliations, the evidence, on its face, appears to show that those reconciliations were replete with problems which, in [Auditor 1]'s view, made it such that they were essentially of no value. As [Auditor 1] described in his affidavit, he was unable to make a fulsome review of RIF's trust accounts due to the ongoing issues of reliability with the records being provided by RIF. I consider that RIF cannot be seen as having complied with the August 2023 Consent Order when it has not provided monthly reconciliations which allow BCFSa to complete the oversight that was intended by the August 2023 Consent Order.

Are the circumstances of the prima facie case urgent, such that the public must be protected by the issuing of an interim order?

94. I find that the evidence supports a conclusion that the circumstances of RIF's professional misconduct requires that the public must be protected by an interim order in urgent circumstances.
95. For an interim order to be necessary for the protection of the public, I must be satisfied that there is a real risk to the public if an order is not made. It is not enough that an order is merely desirable in the circumstances, consideration must be given to the seriousness of the allegation, the nature of the evidence, and the likelihood of the alleged conduct being repeated if an interim order is not imposed: *Martel (Re)*, 2023 BCRMB 6 (CanLII), at para. 65.
96. I consider that factors to be considered when determining whether to order an interim or temporary suspension include:
  - the nature and gravity of the impugned conduct;
  - the circumstances in which the impugned conduct occurred;
  - whether interim relief remains necessary to protect the public from a real risk of harm;
  - the likelihood of the impugned conduct being repeated; and
  - the overall passage of time in the conduct proceedings, including the likely timeline until the conclusion of the proceedings.

*Kalia v. Real Estate Council of Alberta*, 2021 ABQB 950 (CanLII)

97. I find the evidence before me to indicate that there is a real risk to the public if an order is not made in this case.
98. On the evidence before me, the accounting issues that RIF has been experiencing include indications that RIF may have significant trust shortages, in the hundreds of thousands of dollars. The seriousness of the risk to the members of the public whose money is being held in trust by RIF, in such a circumstance, is plain and obvious.
99. I consider the fact that RIF's accounting issues go so far as to include "plugs", that is, the inclusion of hidden numbers in their ledgers which appear to have been invented out of whole

cloth with the purpose of ensuring that those ledgers reconcile is particularly concerning, as it suggests a heightened level of intentionality and deception. That the use of plugs continued in the May 2024 TLAR provided by RIF to BCFSA suggests this is an ongoing issue, and, in my view, suggests a need for some action to be taken on an interim basis to ensure that the public is protected.

100. Further, as summarized above, the issues with RIF's accounting practices have been ongoing for an extended period of time. Those issues led to a previous consent order in 2016, and the more recent August 2023 Consent Order. The fact that RIF's accounting issues have continued in spite of the imposition of the August 2023 Consent Order that was specifically intended to address RIF's accounting issues suggests that RIF will continue this misconduct going forward.
101. In setting out the above, I acknowledge that the information before me indicates that RIF had hired a new controller in or around June of 2024, that a new managing broker commenced work at RIF on July 5, 2024, and that RIF has indicated that it had hired an external auditor to assist it.
102. While I accept that RIF may well be taking steps to improve its trust account reporting, the reality of this situation is that these issues existed in August 2023, that a new managing broker was put in place at RIF in September 2023, [Managing Broker 1], and that despite that fact, RIF continued to experience similar difficulties regarding its trust accounting through to [Managing Broker 1]'s departure in May 2024. I note that [Managing Broker 1] specifically informed BCFSA at that time that he had been trying to hire a new controller for some time, but that he had been prevented from doing so by [Director 1].
103. In my view, given the lengthy history of this issue, as well as the potential that there is a significant trust shortage, it would not be consistent with the overarching need to protect the public to simply accept RIF's recent assertions to BCFSA that it is now taking the steps necessary to address its trust accounting issues.
104. Finally, I note that BCFSA has indicated that it will likely be a period of six months before a discipline hearing can be held regarding RIF's misconduct. I am of the view that to wait that period of time prior to addressing RIF's ongoing issues would be detrimental to the public interest.
105. Having consideration to all of the above, I find that the protection of the public requires an interim suspension order from the Superintendent pursuant to section 45(2)(a), in order to ensure that RIF's misconduct ceases at this time. For clarity, I consider it appropriate to order, pursuant to section 45(2)(c) of RESA, that RIF cease providing real estate services to any member of the public while subject to suspension.
106. I further consider, relying on the evidence of [Auditor 1], that is appropriate in the circumstances of this case to make further orders under section 45(2)(c) of RESA, which allows the superintendent to require a licensee to cease or to carry out any specific activity related to the licensee's real estate business.
107. In this case, given the ongoing issues with RIF's trust accounts, and the potential trust fund shortage, I find that orders requiring RIF or anyone on its behalf to cease all dealings with any of its brokerage accounts as I have identified above, are in the public interest.
108. Finally, I consider it to be appropriate and in the public interest to make an order that RIF deliver up to BCFSA all books, records, including computer records, and accounts of the brokerage with respect to its real estate services, again pursuant to section 45(2)(c). Such an order will assist BCFSA in attempting to determine the true nature of RIF's trust fund accounts and liabilities.

*Should an order freezing RIF's trust accounts be issued pursuant to sections 46(2) and 46(3) of RESA?*

109. Section 46 of RESA sets out the Superintendent's ability to make orders to freeze property held by licensees.
110. Specifically, section 46(1) provides that if the Superintendent believes on reasonable grounds that a licensee has contravened RESA (or the RESA Regulations or Rules) in a way that is contrary to the public interest, the Superintendent may, pursuant to section 46(2), by order directed to the licensee, prohibit the licensee from withdrawing any of the unlicensed person's property, or any of it identified in the order, from the possession of another person named in the order who has the property on deposit, under control or for safekeeping.
111. Section 46(3) provides that if section 46(1) applies, the Superintendent may also make an order requiring a person in British Columbia who has any property of the licensee "on deposit, under control or for safekeeping" to hold all of that property.
112. Pursuant to section 46(7), if a savings institution is the holder of the property described in section 46(3), any order issued under that section applies only to the offices, branches, or agencies of the savings institution that are specified in the order.
113. In general terms, the questions to be asked prior to issuing an order pursuant to section 46 are whether there are reasonable grounds to conclude that the licensee has contravened RESA in a way that was contrary to the public interest, and, if so, whether it is in the public interest to freeze the licensee's accounts.
114. As I have indicated above, I consider the evidence before me to show that RIF has, on an ongoing basis, failed to maintain its trust accounts and records in accordance with sections 72, 79, 80, and 81 of the Rules, such that BCFSA has been unable to determine whether RIF in fact has sufficient funds to cover its trust liabilities.
115. I am of the view that RIF's accounting failures in that regard are of a type that contravene the public interest, in that the regulator is simply unable, as a result of those accounting failures, to ensure that the public's funds, held by RIF, are in fact protected.
116. I note in reaching that conclusion, that I do not require proof on a balance of probabilities that RIF has engaged in accounting practices that have led to a trust account shortage in order to find that RIF's actions have contravened the public interest.
117. Rather, I simply require compelling and credible information that establishes an evidentiary foundation beyond a mere suspicion: *Workers' Compensation Board of British Columbia v. Seattle Environmental Consulting*, 2020 BCCA 365, paragraph 58. In my view, the fact that BCFSA auditors have repetitively identified shortages in RIF's trust accounts is compelling and credible information to suggest that RIF has contravened RESA in a manner that is contrary to the public interest.
118. I further consider the evidence to indicate that there is an ongoing risk to the public if RIF is allowed to continue to access its trust accounts. While there is the obvious concern apparent in the fact that RIF has failed to comply with the August 2023 Consent Order and has continuously provided monthly records that are unsatisfactory and demonstrate shortages for a period of approximately 10 months, I consider the fact that BCFSA auditors have specifically identified the fact that RIF has been using "plugs" in order to reconcile its trust accounts, including the use of 32 such plugs in its June 2024 TLAR filings with BCFSA, totaling \$538,112.65, to be particularly disconcerting from a public interest perspective.



119. Simply put, I consider the fact that RIF has been engaged in accounting practices in respect of its trust accounts that are, as [Auditor 1] put it, unethical, leads me to a conclusion that it is in the public interest to freeze those trust accounts.
120. That RIF has engaged in accounting practices that are such that BCFSA is not able to determine whether RIF is in fact holding the amount of funds in trust for the public that it ought to be is a serious concern. I consider that given RIF's lengthy and ongoing accounting issues, it is in the public interest to freeze RIF's trust accounts.
121. I acknowledge in reaching the conclusion that it is in the public interest to freeze RIF's trust accounts that such an order would freeze the funds of what appears to be more than 200 property owners represented by RIF, and that there is no evidence before me of any complaints from members of the public regarding RIF's handling of their trust funds.
122. I also acknowledge that RIF has previously taken steps to replenish trust fund shortages identified by BCFSA, and that RIF has generally replied to BCFSA promptly when BCFSA has raised concerns.
123. I note, however, that while prompt, RIF's responses to BCFSA concerns have largely been described as unsatisfactory by BCFSA auditors, and while responsive, RIF has continued to engage in the same improper accounting activities throughout the period from September 2023 forward.
124. More importantly, while there have not been any complaints from the public, the reality of the evidence before me is that there have been trust shortages which RIF has had to replenish, and RIF's accounting practices have made it such that BCFSA is simply unable to determine whether RIF has sufficient funds to meet its trust liabilities. In my view, those circumstances create an inherent risk such that it would not be in the public interest to allow RIF to continue to manage its trust accounts as long as those circumstances persist.
125. Simply put, I do not consider it is in the public interest to allow RIF to continue to manage its trust accounts while BCFSA is unable to determine whether there are in fact sufficient funds in those accounts. Given the information available about RIF's accounting practices, I find that it would not be in the public interest to conclude that a complaint was necessary prior to taking action in this case.
126. Having considered RIF's ongoing contraventions of RESA subsequent to the August 2023 Consent Order, and the fact that its ongoing issues with trust account reconciliations are such that BCFSA is not in fact able to determine whether RIF is in fact holding the trust funds it is supposed to or not, I consider it is in the public interest to freeze RIF's trust accounts in order to ensure that those funds are preserved while RIF, as [Auditor 2] put it in her affidavit, "rebuilds and appropriately reconciles its books and records."

## Conclusion

127. I find that there is a *prima facie* case that supports a conclusion that RIF committed professional misconduct as contemplated by section 43(1) of RESA, and that the circumstances of that *prima facie* case are such that the public must be protected by an interim order pursuant to section 45 of RESA. As a result, I order, that:
  - The licence of RIF – Rent it Furnished Inc., dba Rent it Furnished Realty, licence X029887, is suspended immediately pursuant to section 45(2)(a) of RESA;

- Pursuant to section 45(2)(c) of RESA, RIF cease providing real estate services to any member of the public while subject to suspension;
- Pursuant to section 45(2)(c), that RIF or anyone on its behalf cease all dealings with any of its brokerage accounts as identified above;
- Pursuant to section 45(2)(c), that RIF deliver up to BCFSA all books, records, including computer records, and accounts of the brokerage with respect to its provision of real estate services.

128. I further find that there are reasonable grounds to conclude that RIF contravened RESA in a way that was contrary to the public interest, and that it is in the public interest to freeze the trust accounts used by RIF. As a result, I order that:

- Pursuant to section 46(2)(a) of RESA, RIF or anyone on its behalf, is prohibited from withdrawing any funds from the brokerage accounts currently held at [Bank 1] located at [Property 2], Vancouver, BC, Branch number [redacted] except as directed by BCFSA or the Superintendent of Real Estate, including:
  - [Bank 1], [Account 1],
  - [Bank 1], [Account 2],
  - [Bank 1], [Account 3],
  - [Bank 1], [Account 4],
  - [Bank 1], [Account 5],
  - [Bank 1], [Account 7].
- Pursuant to section 46(2)(a) of RESA, RIF or anyone on its behalf, is prohibited from withdrawing any funds from the brokerage accounts currently held at the [Bank 1] located at [Property 3], BC, Branch number [redacted], except as directed by BCFSA or the Superintendent of Real Estate, including:
  - [Bank 1], [Account 6]
- Pursuant to section 46(3) of RESA, [Bank 1] is ordered to hold all trust funds, securities, term deposits, client accounts on deposit and any other funds for RIF, or in the name of RIF – Rent It Furnished Inc, doing business as Rent It Furnished Realty until further order from the Superintendent.

129. A copy of the signed orders is attached to these reasons.

Issued at Kelowna, British Columbia, this 25<sup>th</sup> day of July, 2024.

“Original signed by Andrew Pendray”

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Andrew Pendray  
Chief Hearing Officer

**BC FINANCIAL SERVICES AUTHORITY**

**IN THE MATTER OF THE *REAL ESTATE SERVICES ACT***

**SBC 2004, c 42 as amended**

**AND**

**IN THE MATTER OF**

**RIF – RENT IT FURNISHED INC. dba RENT IT FURNISHED REALTY**

**(X029887)**

**ORDER IN URGENT CIRCUMSTANCES**

Upon reading the sworn Affidavits of [Auditor 2], Director, [Auditor 1], Senior Auditor, and [BCFSA Staff 1], Legal Co-Op Student, all employed by BC Financial Services Authority (“BCFSA”), and upon reading the written submissions of Michael Jones and Laura Forseille, counsel for BCFSA (Compliance and Enforcement), I am satisfied that the following requirements of section 45(1) of the *Real Estate Services Act* (“RESA”) have been met:

1. There has been conduct on the part of RIF – Rent It Furnished Inc. (doing business as Rent It Furnished) (the “Brokerage”) in respect of which the Superintendent could make an order under section 43 of RESA;
2. In each case, the length of time required to complete an investigation or hold a discipline hearing, or both, would be detrimental to the public interest;
3. It is the public interest to make an order under section 45 of RESA against the Brokerage.

THEREFORE, I ORDER:

1. Pursuant to section 45(2)(a) of RESA, that the licence of the Brokerage be suspended;
2. Pursuant to section 45(2)(c) of RESA, that the Brokerage cease providing real estate services to any member of the public;
3. Pursuant to section 45(2)(c) of RESA, that the Brokerage deliver forthwith and/or provide access to all books and records in its possession or control, whether in electronic or paper form, related to their provision of real estate services including accounts and books of accounts, bank records, bank statements, and any passwords to access

password protected devices or websites, computers and client information, to BCFSa at its office: Suite 900, 750 West Pender Street, Vancouver, British Columbia, V6C 2T8;

4. Pursuant to section 45(2)(c) of RESA, that the Brokerage cease all dealings with the bank accounts currently held by the Brokerage on deposit for or in the name of the Brokerage whether held solely or jointly, including the following bank accounts located at [Bank 1] located at [Property 2], Vancouver, BC, [redacted] (Branch number [redacted]):
  - a. [Bank 1], [Account 1], Rent Trust Account
  - b. [Bank 1], [Account 2], Security Trust Account
  - c. [Bank 1], [Account 3], Deposit Trust Account (aka. Tenant Placement "TP" Deposit Trust Account)
  - d. [Bank 1], [Account 4], Commission Trust Account (aka. TP Commission Trust Account)
  - e. [Bank 1], [Account 5], Pooled Trust Account (aka. TP Pooled Rent Trust Account)
  - f. [Bank 1], [Account 7], Trust Account
5. Pursuant to section 45(2)(c) of the RESA, that the Brokerage cease all dealings with the bank accounts currently held by the Brokerage on deposit for or in the name of the Brokerage whether held solely or jointly, including the following bank accounts located at [Bank 1] located at [Property 3], BC, [redacted] (Branch number [redacted]):
  - i. [Bank 1], [Account 6], Commission Trust Account

with immediate effect and until such time as further order is made by the Superintendent or a court.

TAKE NOTICE that the Brokerage may, pursuant to section 45(6) of the RESA, require a discipline hearing to be held by delivering written notice to the Superintendent.

TAKE NOTICE that pursuant to sections 45(4) of RESA, the Superintendent may, by order, rescind these orders on his own initiative, or on the application of the persons affected by the order, may vary or rescind these orders.

AND TAKE NOTICE that RIF, RIF – Rent it Furnished Inc., dba Rent it Furnished Realty may appeal this Order to the Financial Services Tribunal pursuant to section 54(1)(e) of RESA.

This Order is made on July 25, 2024, at Kelowna, British Columbia.

FOR THE BC FINANCIAL SERVICES AUTHORITY

“Original signed by Andrew Pendray”

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Andrew Pendray  
Chief Hearing Officer

BC FINANCIAL SERVICES AUTHORITY  
IN THE MATTER OF THE *REAL ESTATE SERVICES ACT*  
**SBC 2004, c 42 as amended**

**AND**

**IN THE MATTER OF**

**RIF**

**RIF – RENT IT FURNISHED INC. dba RENT IT FURNISHED REALTY  
(X029887)**

ORDER TO FREEZE PROPERTY UNDER SECTION 46

Upon reading the sworn Affidavits of [Auditor 2], Director, [Auditor 1], Senior Auditor, and [BCFSA Staff 1], Legal Co-Op Student all employed by the BC Financial Services Authority (“BCFSA”), and upon reading the written submissions of Michael Jones and Laura Forseille, counsel for BCFSA (Compliance and Enforcement), the Superintendent of Real Estate (the “Superintendent”) is satisfied that the requirements in section 45(1) of the *Real Estate Services Act* (“RESA”) have been met:

1. there are reasonable grounds to believe that RIF – Rent It Furnished Inc. (“RIF”) has contravened RESA, the Real Estate Services Regulations (“Regulations”) or the Real Estate Services Rules (the “Rules”) in a way that is contrary to the public interest

THEREFORE, I ORDER:

1. Pursuant to section 46(2)(a) of the RESA, that RIF or anyone on its behalf be prohibited from withdrawing any funds out of the bank accounts currently held by RIF on deposit for RIF, and whether held solely or jointly, including the following bank accounts located at [Bank 1] located at [Property 2], Vancouver, BC, [redacted] (Branch number [redacted]):
  - a. [Bank 1], [Account 1], Rent Trust Account
  - b. [Bank 1], [Account 2], Security Trust Account
  - c. [Bank 1], [Account 3], Deposit Trust Account (aka. Tenant Placement “TP” Deposit Trust Account)
  - d. [Bank 1], [Account 4], Commission Trust Account (aka. TP Commission Trust Account)

- e. [Bank 1], [Account 5], Pooled Trust Account (aka. TP Pooled Rent Trust Account)
  - f. [Bank 1], [Account 7], Trust Account
2. Pursuant to section 46(3) of the RESA, that [Bank 1] to freeze and hold any and all accounts held on deposit for or in the name of RIF, whether solely or jointly, and including the following accounts held at [Bank 1] located at [Property 2], Vancouver, BC, [redacted] (Branch number [redacted]):
- a. [Bank 1], [Account 1], Rent Trust Account
  - b. [Bank 1], [Account 2], Security Trust Account
  - c. [Bank 1], [Account 3], Deposit Trust Account (aka. Tenant Placement "TP" Deposit Trust Account)
  - d. [Bank 1], [Account 4], Commission Trust Account (aka. TP Commission Trust Account)
  - e. [Bank 1], [Account 5], Pooled Trust Account (aka. TP Pooled Rent Trust Account)
  - f. [Bank 1], [Account 7], Trust Account

with immediate effect and until such time as further order is made by the Superintendent or a court.

3. Pursuant to section 46(2)(a) of the RESA, that RIF or anyone on its behalf be prohibited from withdrawing any funds out of the bank accounts currently held by RIF on deposit for RIF, and whether held solely or jointly, including the following bank accounts located at [Bank 1] located at [Property 3], BC, [Redacted] (Branch number [Redacted]):
- i. [Bank 1], [Account 6], Commission Trust Account

4. Pursuant to section 46(3) of the RESA, that [Bank 1] to freeze and hold any and all accounts held on deposit for or in the name of RIF, whether solely or jointly, and including the following accounts held at [Bank 1] located at [Property 3], BC, [Redacted] (Branch number [Redacted]):

- i. [Bank 1], [Account 6], Commission Trust Account

with immediate effect and until such time as further order is made by the Superintendent or a court.

TAKE NOTICE that pursuant to 46(5) of RESA, the Superintendent may, by order, vary or rescind these orders on his own initiative or on the application of the persons affected by the order.

AND TAKE NOTICE that pursuant to subsection 46(8) of RESA, if the financial institution directed under subsection 46(8) of RESA is uncertain respecting the application of the order to any property, or a claim is made to the property by a person not named in the order, the financial institution or person may, on giving notice to the Superintendent, apply to the Supreme Court for an order under subsection 46(9) of RESA which provides that on an application under subsection 46(8) of RESA, the court may order the disposition of the property as it considers appropriate.

AND TAKE NOTICE that RIF, RIF – Rent it Furnished Inc., dba Rent it Furnished Realty, or [Bank 1], may appeal this Order to the Financial Services Tribunal under section 54(1)(e) of RESA.

This Order is made on July 25, 2024 at Kelowna, British Columbia.

FOR THE BC FINANCIAL SERVICES AUTHORITY

“Original signed by Andrew Pendray”

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Andrew Pendray  
Chief Hearing Officer