

Citation: Menethil Properties Ltd. (Re), 2025 BCSRE 75
Date: 2025-04-25
File # INC24-5340-B

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

AND IN THE
MATTER OF
MENETHIL PROPERTIES LTD.
(X035288)

AND

YU (DAVID) SONG
(180405)

Corrected Decision: The licence number for Menethil Properties Ltd. has been corrected on pages 1, 2, 15, 18, 19 & 20 on April 28, 2025.

REASONS FOR ORDER IN URGENT CIRCUMSTANCES AND
ORDER TO FREEZE PROPERTY

[These Reasons have been redacted before publication.]

Date of Hearing:	Written Submissions Received April 24, 2025
Counsel for BCFSA:	Meredith MacGregor 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 suspend the licence of Menethil Properties Ltd. (X035288) ("Menethil"). BCFSA further seeks orders providing that:
 - Mr. Yu (David) Song and Menethil cease providing real estate services to any member of the public;
 - Mr. Song and Menethil deliver or provide access to books and records in their possession and control;
 - Mr. Song and Menethil cease all dealings with specific bank accounts currently held by Menethil;
 - Mr. Song and Menethil, and anyone acting on its behalf are prohibited from withdrawing funds from various bank accounts held by Menethil; and
 - Various bank accounts held or on deposit for Menethil be frozen.
2. In seeking those orders BCFSA takes the position that there are reasonable grounds to find that Menethil and Mr. Song have contravened RESA in a way that is contrary to the public interest, and that a failure to grant the orders sought would undermine public confidence in the real estate industry and its regulatory authority and would bring the real estate industry into disrepute.
3. This application was heard by way of written submissions.

Issue

4. The issues are:
 - Should an interim order suspending Menethil's licence be issued pursuant to section 45(2)(a) of RESA?
 - Should orders requiring Mr. Song and Menethil to cease providing real estate services, deliver access to various books and records, and cease dealings with certain bank accounts be issued pursuant to section 45(2)(c) of RESA?
 - Should an order prohibiting Mr. Song and Menethil from withdrawing funds from those bank accounts, be issued pursuant to section 46(2)(a) of RESA?
 - Should an order freezing Menethil's bank accounts be issued pursuant to section 46(3) of RESA?

Jurisdiction and Procedure

5. 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

6. The evidence and information before me in this application consists of affidavits from a BCFSA staff investigator, [Investigator 1], dated April 23, 2025, and a BCFSA senior auditor, [Auditor 1], dated April 23, 2025, and the documentary information attached to those affidavits.
7. Much of the background information to this matter is set out in a previous urgent order decision, issued on February 10, 2025, *Menethil Properties Ltd. (Re)*, 2025 BCSRE 29.
8. As a general summary, Menethil has been licensed since approximately January 20, 2020. It primarily operates in the area of rental property management.
9. Mr. Song, the director of Menethil, was previously licensed as Menethil's managing broker. However, in September 2023 his managing broker licence was cancelled as a result of a disciplinary hearing decision: *Song (Re)*, 2023 BCSRE 30. That disciplinary hearing generally related to issues with respect to Menethil's adherence to the Rules in relation to accounting practices.
10. The decision in *Song (Re)* required that Menethil file further financial statements, and undergo, at its own expense, an audit by BCFSA within six months of the date of the order to confirm Menethil's compliance with RESA and the Rules.
11. In *Menethil Properties Ltd. (Re)*, I determined that Menethil's then managing broker had committed professional misconduct, and issued a suspension order of his licence pursuant to section 45(2) of RESA.
12. As a result of that decision, Menethil was left without a managing broker. As I indicated in *Menethil Properties Ltd. (Re)*:

59. I note that the practical effect of Mr. Guo's suspension, given that he is the sole managing broker of Menethil, is that Menethil's licence becomes inoperative, pursuant to section 23(3) of RESA, effective as of the time at which Mr. Guo's licence is suspended. Menethil will therefore cease to be able to provide real estate services, with a similar practical effect in terms of the protection of the public that would have been brought about by an interim suspension order.

13. Menethil has not had a managing broker since February 10, 2025, and did not apply for or receive an exception under section 3 of the *Real Estate Services Rules* ("Rules"), which would allow it to provide real estate services despite not having a managing broker. Menethil has, therefore, been inoperative, since February 10, 2025.
14. As Menethil was inoperative, the licences of its other licensees also became inoperative. That includes the licence of Mr. Song. Mr. Song briefly transferred his licence to another brokerage, for the period of March 10 to March 17, 2025, but his licence has otherwise been inoperative since February 10, 2025.

15. On February 10, 2025, BCFSa wrote to Mr. Song, by way of email, and informed him that due to the licence of Menethil being made inoperative, his licence had been rendered inoperative effective that date, and that he was required to cease all real estate activities immediately.
16. On February 14, 2025, BCFSa provided a letter to Mr. Song and Menethil. In that letter BCFSa noted that Menethil was currently inoperative and that it could not provide any real estate services, including the collection of rental payments on March 1, 2025. BCFSa further indicated that the superintendent had commenced an investigation into Menethil in respect of complaints associated with its rental property management services. BCFSa indicated that Menethil was required to provide BCFSa with a variety of documents, including:
 - Bank statements and trust account ledgers for each of Menethil's trust accounts from September 2024 to present;
 - Individual cash ledgers for each rental property managed by Menethil for September 2024 to present;
 - Menethil's subledger trust accounts; and
 - A list of signatories for each of Menethil's trust accounts.
17. BCFSa noted in the February 14, 2025 letter that Menethil was required to respond to the letter by February 21, 2025, pursuant to section 37(3)(b) of RESA, and that failure to do so may constitute misconduct pursuant to section 35(1)(a) of RESA.
18. [Investigator 1] and [Auditor 1] attended at Menethil's offices on February 21, 2025, and met with Mr. Song. In her notes of that meeting, [Investigator 1] indicated that Mr. Song advised that Menethil was not engaged in any real estate services, and that its clients were waiting for Menethil to provide them with a plan for moving forward. [Auditor 1] was noted to have obtained copies of bank statements for all of Menethil's trust accounts for the month of February 2025 via email.
19. [Investigator 1] noted that discussions ensued between herself and Mr. Song regarding Mr. Song's plan for his clients, and that Mr. Song had indicated that his plan to address the issue of March 1, 2025 rental payments was to have tenants pay owners directly. [Investigator 1] noted that she had emphasized to Mr. Song the need for a clear plan to ensure that clients' rental properties were being managed by a brokerage and rental property managers that were permitted to provide real estate services.
20. In an email of February 21, 2025, Mr. Song indicated to BCFSa that he was working on sending the records requested by BCFSa, and requested an extension to the February 21, 2025 deadline to February 24, 2025.
21. BCFSa and Mr. Song engaged in various email correspondence on February 24 through 26, 2025.
22. In a February 24, 2025 email Mr. Song wrote to BCFSa's licensing team requesting guidance regarding Menethil being inoperative. Mr. Song noted that he understood that transferring his licence to a different brokerage may be the most feasible option, but noted that he may not be able to complete that process before the upcoming March rental payment period. Mr. Song indicated that he intended to reach out to Menethil's tenants

and property owners and to advise tenants to make their March rent payments directly to the property owners.

23. In a February 24, 2025 email, BCFSA wrote to Mr. Song and requested details of his plans, including the aspect of the plan in which tenants would pay owners directly.
24. In a follow-up email to Mr. Song, dated February 25, 2025, BCFSA noted that Mr. Song's draft letter to Menethil tenant clients did not provide any instructions to tenants as to how they were to pay rent directly to property owners. BCFSA enquired as to what information would be provided to tenants in that regard, and whether Menethil's property owner clients had the necessary information to allow them to deal directly with tenants on the issue of rental payments.
25. Mr. Song replied by email on February 26, 2025, and indicated that Menethil would unregister the auto deposit email it had set up, and instruct tenants and owners to arrange password exchange for rental payment amongst themselves. Mr. Song further indicated that Menethil would provide property owners with tenant contact information.
26. In a February 26, 2025 email, BCFSA indicated to Mr. Song that it would require a copy of all final letters sent by Menethil to either tenants or property owners. In that email BCFSA reiterated that Menethil and Mr. Song could not provide real estate services such as delivering notices as a property manager, or managing landlord and tenant matters, even in circumstances where Menethil was not receiving immediate compensation. BCFSA further noted that requests for documents, including cash ledgers, and subledgers for trust accounts, remained outstanding.
27. In a March 7, 2025 email, Mr. Song informed BCFSA that he agreed to a condition on his real estate licence (which he had requested to transfer) which required him to wind up Menethil, as provided for by section 93 of the Rules, by April 15, 2025.
28. Despite that agreement, Menethil had not been wound up by the date of the submissions in this application.
29. As part of the investigation process, [Investigator 1] spoke with some Menethil clients. Those clients provided information including that:
 - They continued to receive banking deposits from Menethil (including a deposit on March 10, 2025;
 - A client had a conversation with Mr. Song in March 2025 regarding renting a property, and that Mr. Song had advised the client that he needed to give four months notice if he wanted to live at his own rental property;
 - Emails which appeared to show that Menethil and Mr. Song had deducted a property management fee from a client's account in relation to at least one of the client's rental properties for the month of March 2025;
 - Screen shots provided by a client which appeared to show that Menethil property management fees were deducted from rent collected on behalf of a property owner client in March 2025;
30. [Investigator 1] also spoke and corresponded with one of Menethil's former licensees, [Licensee 1]. [Licensee 1] informed [Investigator 1] that one of her former tenant clients had reached out to her regarding March 2025 rent, as the tenant was confused by the company listed on the banking transfer details, [Company 1]. [Investigator 1] subsequently confirmed that [Company 1] was Mr. Song's Alberta brokerage.

31. [Investigator 1] contacted [Licensee1]'s former tenant client, who informed her that Mr. Song had contacted the tenant and requested that rent be paid to a new email address, which had come up as [Company 1]. The tenant indicated that she had eventually managed to obtain the owner's information from her rental property's listing agent (as the rental property was for sale), and had simply sent the rent for March 2025 to the owner directly. The tenant further noted that Mr. Song had subsequently sent her a text message regarding a showing of the home.
32. On March 27, 2025 [Investigator 1] wrote to Mr. Song to request screenshots of bank statements for each of Menethil's trust accounts for the period of the previous 31 days. Mr. Song provided screenshots of transactions for each of those accounts over the course of March 27 and 28, 2025. Those accounts showed balances as follows:
- Account number [Redacted] ("**5120 Trading Trust**"): (\$6.02);
 - Account number [Redacted] ("**5091 Rent Trust**"): \$35,971.09;
 - Account number [Redacted] ("**5083 [Client 1] Rental Trust**"): \$0.00;
 - Account number [Redacted] ("**2313 New Rental Trust**"): \$9,976.00;
 - Account number [Redacted] ("**4079 [Client 1] Security Trust**"): (\$80.28);
 - Account number [Redacted] ("**4060 Security Trust**"): (\$80.32); and
 - Account number [Redacted] ("**2321 New Security Trust**"): \$3,583.53.
33. Of note, the banking screenshots for the 5091 Rent Trust account showed numerous deposits and withdrawals made throughout the month of March 2025.
34. In a March 28, 2025 email exchange with [Investigator 1], Mr. Song confirmed that any March 2025 rents received by Menethil were deposited into and withdrawn from the 5091 Rent Trust account.
35. [Investigator 1] reviewed the names of the individuals that deposited money into the 5091 Rent Trust account with the rent roll that had been provided by Menethil, and determined that at least 20 of the depositors were tenants of properties managed by Menethil and the amounts deposited were consistent with the rent roll. [Investigator 1] concluded that many of the deposits in the 5091 Rent Trust account were for rent from the tenants of the various properties managed by Menethil on behalf of owner clients, and that at least some of those deposits were then distributed to the owners as a direct deposit/pre-authorized payment debit transaction.
36. [Investigator 1] concluded that Mr. Song and Menethil had continued to provide real estate services since February 10, 2025, including by collecting rent and engaging in trading services (by looking for a party to acquire real estate). [Investigator 1] noted that Menethil and Mr. Song appeared to have deducted management fees from payouts to owner clients in relation to at least two properties since February 10, 2025.

Audit and Banking Records

37. [Auditor 1] indicated that to the best of his knowledge, Menethil had seven trust accounts at the [Bank 1].

38. Beginning in June 2024, and ending in September 2024, BCFSA conducted an audit of Menethil and prepared an audit report dated September 25, 2024.
39. [Auditor 1] indicated that to the best of his knowledge, Menethil had the following trust accounts held at [Bank 1]:
- [Bank 1] account number [Redacted] (“**5120 Trading Trust**”);
 - [Bank 1] account number [Redacted] (“**5091 Rent Trust**”);
 - [Bank 1] account number [Redacted] (“**5083 [Client 1] Rental Trust**”);
 - [Bank 1] account number [Redacted] (“**2313 New Rental Trust**”);
 - [Bank 1] account number [Redacted] (“**4079 [Client 1] Security Trust**”);
 - [Bank 1] account number [Redacted] (“**4060 Security Trust**”); and
 - [Bank 1] account number [Redacted] (“**2321 New Security Trust**”).
40. [Auditor 1] obtained February 2025 bank statements for Menethil, and its general ledger. He indicated that after reviewing those documents, he was able to determine that the total of the cash balance per Menethil’s books and records far exceeded the bank balance of the 5091 Rent Trust account as of the end of February 2025. [Auditor 1] opined that this meant that there was a trust shortage or that Menethil’s bookkeeping was not up to date and there were several security deposit disbursements from the 5091 Rent Trust account before or during February 2025 which were not recorded.
41. [Auditor 1] indicated that his review of Menethil’s books and records indicated that at the end of February 2025 Menethil should have been holding at least \$110,000 in security deposit trust funds, but that the bank records at the end of February 2025 indicated that there was only approximately \$63,747.44 in total trust funds held in the 5091 Rent Trust and 4060 Security Trust accounts. He noted that while he understood there were other trust accounts which held funds, those funds were less than \$15,000, which would not have explained the apparent trust shortfall.
42. [Auditor 1] indicated that while there may be further records held by Menethil which would provide additional information to assist in determining whether the apparent cash shortfall noted was a true trust shortage or a bookkeeping issue, Mr. Song had not provided BCFSA with those records, despite having been requested to do so. [Auditor 1] said that his review of the documentary evidence provided indicated to him that Menethil was either in a trust shortfall, which would be a breach of section 73 of the Rules, or was experiencing bookkeeping issues which would be a breach of sections 79 and/or 80 of the Rules.

Discussion

Should an interim order suspending Menethil’s licence be issued pursuant to section 45(2)(a) of RESA?

Should orders requiring Mr. Song and Menethil to cease providing real estate services, deliver access to various books and records, and cease dealings with certain bank accounts be issued pursuant to section 45(2)(c) of RESA?

43. 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.
44. 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.
45. In assessing evidence when considering making 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).
46. 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.
47. 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?
48. I turn to a consideration of each of the above noted questions.

Is there a prima facie case that supports a conclusion that Mr. Song and Menethil have committed professional misconduct or conduct unbecoming a licensee as contemplated by section 43(1) of RESA?

49. 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.

50. I find that there is, based on the evidence and information before me on this application, a prima facie case which supports a conclusion that Mr. Song and Menethil have committed professional misconduct under section 35(1) of RESA, such that the Superintendent could make an order under section 43 of RESA.

51. Section 6(1) of RESA requires a brokerage to have one or more managing brokers and permits a brokerage to only provide real estate services that are permitted by the license of its managing broker.

52. Section 6(2) of RESA provides that a managing broker is responsible for:

- The exercise of rights conferred on the brokerage by its license;
- The performance of the duties imposed on the brokerage by its license; and
- The control and conduct of the brokerage's real estate business, including supervision of the associate brokers and representatives who are licensed in relation to the brokerage.

53. Section 20 of RESA specifically prohibits a licensee from providing real estate services at any time that the licensee's licence is inoperative or suspended. Section 23 of RESA provides that if a brokerage license becomes inoperative or is suspended or cancelled, the licence of any related licensee becomes inoperative.

54. As I noted above, the practical effect of the decision in *Menethil Properties Ltd. (Re)* was that Menethil's licence became inoperative at the time that decision was issued, as a result of the operation of section 6 of RESA. As a further result of section 20 of RESA, Mr. Song's licence also became inoperative at the time of the decision in *Menethil Properties Ltd. (Re)*.
55. Despite those facts, the evidence and information before me indicates that Menethil has continued to collect rent on behalf of owner clients during a time when both Menethil and Mr. Song's licenses were inoperative, to at least March 28, 2025. The collecting of rent is specifically defined as a rental property management service in RESA, and rental property management services are defined as real estate services.
56. While it is true that most of the deposits received in the 5091 Rent Trust account are being deposited by way of e-transfer, and that those may be pre-authorized, I consider that does not alter the fact that Menethil was, at least until March 28, 2025, continuing to collect those rental payments into its trust account.
57. Noting that Mr. Song is the sole director and sole signatory of Menethil's trust accounts, I consider that there is a prima facie case indicating that both Mr. Song and Menethil have been providing real estate services in breach of section 20 of RESA, which would constitute professional misconduct.
58. There is also prima facie evidence before me that Mr. Song continued to personally engage in work to collect rents, including by directing at least one tenant to provide a rental payment to an email associated with his Alberta brokerage.
59. In addition to these apparent prima facie breaches of section 20, there are the allegations that Menethil is in breach of various Rules.
60. Specifically, [Auditor 1]'s evidence is that on the banking evidence provided, Menethil is either in a position of a trust shortage in contravention of section 73 of the Rules, or experiencing bookkeeping issues in breach of sections 79 and 80 of the Rules.
61. Section 73 of the Rules specifically provides that:

73 (1)A brokerage must not make any payment out of a trust account if

- (a)the payment would reduce the amount currently recorded in a trust account record or a trust ledger for the account to a negative balance, or
- (b)the trust account record or trust ledger to which the payment relates already has a negative balance.

(2)If at any time there is a negative balance referred to in subsection (1), the brokerage must take immediate steps to eliminate the negative balance.

(3)A brokerage must notify the superintendent of a negative balance referred to in subsection (1) as follows:

(a)immediately, if a related managing broker considers that the negative balance may result in a person having a claim for a compensable loss in relation to the brokerage;

(b)in any other case, no later than 10 days after the day on which the negative balance arose, unless the brokerage is able to eliminate the negative balance in that time.

62. While I am mindful of the fact that this application was brought on a without notice basis, there is no indication on the evidence and information before me that Menethil has taken any steps to ensure that it is not experiencing the trust shortage that [Auditor 1] has observed, or that it has given any notification to the Superintendent in that regard. I accept that [Auditor 1]'s evidence demonstrates a prima facie case of a breach of the Rules which would constitute professional misconduct.
63. Further, in the event that Menethil is experiencing issues with respect to its financial records such that those records are simply not readily showing the appropriate amount of money being held in trust, that would once again demonstrate a prima facie case of a breach of section 80 of the Rules, which requires a brokerage to maintain financial records which are necessary to ensure the appropriate and timely accounting of all transactions relating to real estate services provided by the brokerage.
64. I consider [Auditor 1]'s evidence, which I again acknowledge is perhaps based on a limited amount of documentation, provides a sufficient basis to conclude that there is a prima facie case that Menethil is in breach of its obligations under sections 73, 79, and 80 of the Rules. Pursuant to section 35(1)(a) of RESA, those breaches constitute professional misconduct.
65. Finally, there is the fact that Mr. Song agreed to a condition on his licence, which was to wind up Menethil by April 15, 2020, but, as of the date of this application, he had not done so.
66. As [Investigator 1] has indicated in her affidavit, Mr. Song had provided no information to BCFSa regarding the winding up of Menethil subsequent to April 11, 2025.
67. I consider that the evidence shows, on a prima facie basis, that Mr. Song, by failing to abide by the condition on his licence, has committed professional misconduct as contemplated by section 35(1)(b) of RESA.

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

68. I find the evidence supports a conclusion that the circumstances of Mr. Song and Menethil's professional misconduct requires that the public must be protected by an interim order in urgent circumstances.
69. 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.

70. 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)

71. 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.
72. Menethil and Mr. Song have continued to provide real estate services while inoperative, and without a managing broker. This provision of real estate services, in contravention of section 20 of RESA, has continued despite repeated direction from BCFSa in that regard.
73. Further, despite agreeing to do so, the evidence and information before me does not indicate that Mr. Song has been taking the steps required to wind up Menethil. Rather, through March 28, 2025, Menethil appears to have continued to collect rental payments on behalf of property owners. Of note, Mr. Song did not provide BCFSa with copies of letters he had indicated he would send to tenants which would enable them to pay owners directly. The fact that rental payments appear to have continued to come into Menethil throughout the month of March suggests that those letters may not have been sent.
74. That Mr. Song has ceased to respond to correspondence from BCFSa regarding the winding up of the brokerage or the provision of requested documents is, in my view, further prima facie evidence that absent an order, Menethil will continue to provide real estate services, without supervision, in contravention of RESA and without complying with the Rules. In my view, to allow Menethil to continue to provide real estate services such as the collection of rental monies in such circumstances places the funds of the public at undue risk.
75. The issues with Menethil and Mr. Song are longstanding, dating to the decision in *Song (Re)*, 2023 BCSRE 30, in which Mr. Song's managing broker licence was cancelled, and Menethil was found to have committed professional misconduct in respect of failures to file financial statements required by section 75 of the Rules, failing to prepare or retain financial records necessary to ensure appropriate an[d] timely accounting required by section 79 of the Rules, as well as breaches of section 80 and 81 of the Rules.
76. Finally, I note that BCFSa has indicated that it will likely be a period of one year to proceed through a full investigation and hearing of Menethil and Mr. Song's misconduct.
77. Having consideration to all of the above, I find that the protection of the public requires an interim order from the superintendent in order to ensure that Mr. Song and Menethil's misconduct ceases at this time.

78. Section 45(2) provides that if the circumstances of section 45(1) are found to apply, the Superintendent may by order, do one or more of the following:
- (a) suspend the licensee's licence;
 - (b) impose restrictions or conditions on the licensee's licence or vary any restrictions or conditions applicable to the licence;
 - (c) require the licensee to cease or to carry out any specified activity related to the licensee's real estate business.
79. While it is true that both Mr. Song and Menethil's licences are already inoperative, I accept BCFSa's submission that a suspension of Menethil's licence is appropriate action to be taken pursuant to section 45(2)(a) of RESA, as that suspension would allow BCFSa to apply to the BC Supreme Court for the appointment of a receiver to handle trust funds in Menethil's trust accounts, in order to ensure those funds are returned to the appropriate members of the public. I consider that the public interest would therefore be served by the suspension of Menethil's licence pursuant to section 45(2)(a) of RESA.
80. Similarly, I consider that the orders sought by BCFSa that Mr. Song and Menethil cease providing real estate services BCFSa are in the public interest. While, again, it is true that each of Mr. Song and Menethil's licences are already inoperative, an urgent order indicating that they are each required to cease providing real estate services will provide additional messaging to the public, and afford BCFSa with additional regulatory abilities to bring them into compliance.
81. BCFSa further seeks orders that:
- Under section 45(2)(c) of the RESA, Mr. Song and Menethil will deliver forthwith and/or provide access to all books and records in the possession or control of either of them, 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 600, 750 West Pender Street, Vancouver, Vancouver, British Columbia, V6C 2T8;
 - Under section 45(2)(c) of the RESA, Mr. Song and Menethil will cease all dealings with the bank accounts currently held by Menethil on deposit for or in the name of Menethil, whether held solely or jointly, including the following bank accounts located at [Bank 1] located at [Property 1], Kelowna, BC (Branch Number #[Redacted]):
 - [Bank 1] account number [Redacted] ("**5120 Trading Trust**");
 - [Bank 1] account number [Redacted] ("**5091 Rent Trust**"); and
 - [Bank 1] account number [Redacted] ("**5083 [Client 1] Rental Trust**");
 - Under section 45(2)(c) of the RESA, Mr. Song and Menethil will cease all dealings with the bank accounts currently held by Menethil on deposit for or in the name of Menethil, whether held solely or jointly, including the following bank accounts located at [Bank 1] located at [Property 2], Kelowna, BC Branch Number [Redacted]:
 - [Bank 1] account number [Redacted] ("**2313 New Rental Trust**");
 - [Bank 1] account number [Redacted] ("**4079 [Client 1] Security Trust**");
 - [Bank 1] account number [Redacted] ("**4060 Security Trust**"); and
 - [Bank 1] account number [Redacted] ("**2321 New Security Trust**").

82. Given my findings above, I am satisfied that an order pursuant to section 45(2)(c), requiring that Mr. Song and Menethil deliver various books and records, and cease dealings with certain bank accounts is appropriate.

Should an order prohibiting Mr. Song and Menethil from withdrawing funds from those bank accounts, be issued pursuant to section 46(2)(a) of RESA?

Should an order freezing Menethil's bank accounts be issued pursuant to section 46(3) of RESA?

83. Section 46 of RESA sets out the Superintendent's ability to make orders to freeze property held by licensees.
84. Specifically, Section 46(1) provides that if the Superintendent believes on reasonable grounds that an 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.
85. 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.
86. 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.
87. 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.
88. As I have indicated above, I consider the evidence before me to show, on a prima facie basis, that Mr. Song and Menethil have contravened RESA in a way that is contrary to the public interest, in that they have continued to provide real estate services contrary to the requirements of RESA, and that they are in breach of sections of Rules such that they are either in a trust shortage or have not kept accounting records such that BCFSa is able to determine whether or not such a shortage exists.
89. The fact that BCFSa is unable, at this time, to determine whether or not the public's funds held by Menethil (and which continued to be collected by Menethil through March 28, 2025), are in fact protected as required by RESA is clearly, in my view contrary to the public interest.
90. I note, in reaching that conclusion, that I do not require proof on a balance of probabilities Menethil has engaged in accounting practices that have in fact led to a trust account shortage in order to find that Menethil's actions have contravened the public interest.
91. 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*, paragraph 53. In my view, the fact that [Auditor 1] has identified a potential shortage in Menethil's trust accounts is compelling and credible

information to suggest that Menethil has contravened RESA in a manner that is contrary to the public interest.

92. I further consider that the evidence to indicate that there is an ongoing risk to the public if Menethil and Mr. Song are allowed to continue to access the Menethil trust accounts, given not only Mr. Song and Menethil's ongoing provision of real estate services, but also the fact that Mr. Song has ceased to respond to correspondence from BCFSa regarding the winding up of the brokerage.
93. I consider that, in all the circumstances, an order freezing Menethil's accounts is required in order to protect the funds that Menethil currently holds in trust.
94. While there may be some temporary impact to members of the public who are unable to access funds that Menethil is currently holding in trust, I consider that the broader public interest requires that the accounts be frozen in order to ensure that those funds are properly maintained, particularly given that Mr. Song and Menethil have not provided any further information as requested by BCFSa which would enable it to reach a firm determination regarding the nature of the potential trust shortage. I note in this regard that BCFSa has previously, from September 2024 through January 2025, received complaints from Menethil property management clients that they were not receiving funds that Menethil was holding in trust.

Conclusion

95. I find that there is a *prima facie* case that supports a conclusion that Mr. Song and Menethil 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. As a result, I order that:
 - The licence of Menethil Properties Ltd. (X035288) is suspended immediately pursuant to 45(2)(a) of RESA;
 - Pursuant to section 45(2)(c) of RESA, Mr. Yu (David) Song and Menethil Properties Ltd. will cease providing real estate services to any member of the public (unless licensed to do so);
 - Pursuant to section 45(2)(c) of RESA, Mr. Song and Menethil will deliver forthwith and/or provide access to all books and records in the possession or control of either of them, 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 600, 750 West Pender Street, Vancouver, Vancouver, British Columbia, V6C 2T8;
 - Pursuant section 45(2)(c) of RESA, Mr. Song and Menethil will cease all dealings with the bank accounts currently held by Menethil on deposit for or in the name of Menethil, whether held solely or jointly, including the following bank accounts located at [Bank 1] located at [Property 1], Kelowna, BC (Branch Number #[Redacted]):
 - a. [Bank 1] account number [Redacted];
 - b. [Bank 1] account number [Redacted]; and
 - c. [Bank 1] account number [Redacted];

- Pursuant to section 45(2)(c) of RESA, Mr. Song and Menethil will cease all dealings with the bank accounts currently held by Menethil on deposit for or in the name of Menethil, whether held solely or jointly, including the following bank accounts located at [Bank 1] located at [Property 2], Kelowna, BC Branch Number [Redacted]:
 - a. [Bank 1] account number [Redacted];
 - b. [Bank 1] account number [Redacted];
 - c. [Bank 1] account number [Redacted]; and
 - d. [Bank 1] account number [Redacted].

96. I further find that there are reasonable grounds to conclude that Menethil 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 Menethil. As a result, I order that:

- Pursuant to section 46(2)(a) of RESA, Mr. Song and Menethil and anyone acting on its behalf are prohibited from withdrawing any funds out of the bank accounts currently held by Menethil on deposit for Menethil, whether held solely or jointly, including the following bank accounts located at [Bank 1] located at [Property 1], Kelowna, BC (Branch Number [Redacted]):
 - [Bank 1] account number [Redacted];
 - [Bank 1] account number [Redacted]; and
 - [Bank 1] account number [Redacted];
- Pursuant to section 46(3) of RESA, [Bank 1] will freeze and hold any and all accounts held on deposit for or in the name of Menethil, whether solely or jointly, and including the following accounts held at [Bank 1] located at [Property 1], Kelowna, BC (Branch Number [Redacted]):
 - [Bank 1] account number [Redacted];
 - [Bank 1] account number [Redacted]; and
 - [Bank 1] account number [Redacted];
- Pursuant to section 46(2)(a) of RESA, Mr. Song and Menethil and anyone acting on its behalf are prohibited from withdrawing any funds out of the bank accounts currently held by Menethil on deposit for Menethil, whether held solely or jointly, including the following bank accounts located at [Bank 1] located at [Property 2], Kelowna, BC (Branch Number [Redacted]):
 - [Bank 1] account number [Redacted];
 - [Bank 1] account number [Redacted];
 - [Bank 1] account number [Redacted]; and
 - [Bank 1] account number [Redacted].
- Pursuant to section 46(3) of RESA, [Bank 1] will freeze and hold any and all accounts held on deposit for or in the name of Menethil, whether solely or jointly, and including the following accounts held at [Bank 1] located at [Property 2], Kelowna, BC (Branch Number [Redacted]):

- [Bank 1] account number [Redacted];
- [Bank 1] account number [Redacted];
- [Bank 1] account number [Redacted]; and
- [Bank 1] account number [Redacted].

Issued at Kelowna, British Columbia, this 25th day of April, 2025.

“Original signed by Andrew Pendray”

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
MENETHIL PROPERTIES LTD.

(X035288)

AND

YU (DAVID) SONG

(180405)

ORDER IN URGENT CIRCUMSTANCES

Upon reading the sworn Affidavits of [Investigator 1], Investigator and [Auditor 1], Senior Auditor, all employed by BC Financial Services Authority ("**BCFSA**"), and upon reviewing the Notice of Application of Meredith MacGregor 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 Yu Song (also known as David Song) ("**Mr. Song**"), a licensee at Menethil Properties Ltd., in respect of which the Superintendent of Real Estate (the "**Superintendent**") could make an order under section 43 of the RESA;
2. there has been conduct on the part of Menethil Properties Ltd. ("**Menethil**") in respect of which the Superintendent could make an order under section 43 of RESA;
3. 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;
4. it is in the public interest to make an order under section 45 of the RESA against Mr. Song;
and
5. it is in the public interest to make an order under section 45 of the RESA against Menethil.

THEREFORE, I ORDER:

1. Under section 45(2)(a) of the RESA, the licence of Menethil Properties Ltd. (X035288) ("**Menethil**"), is suspended;
2. Under sections 45(2)(c) of the RESA, Mr. Yu (David) Song ("**Mr. Song**") and Menethil will cease providing real estate services to any member of the public (unless licensed to do so);
3. Under section 45(2)(c) of the RESA, Mr. Song and Menethil will deliver forthwith and/or provide access to all books and records in the possession or control of either of them, 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 600, 750 West Pender Street, Vancouver, Vancouver, British Columbia, V6C 2T8;

4. Under section 45(2)(c) of the RESA, Mr. Song and Menethil will cease all dealings with the bank accounts currently held by Menethil on deposit for or in the name of Menethil, whether held solely or jointly, including the following bank accounts located at [Bank 1] located at [Property 1], Kelowna, BC (Branch Number #[Redacted]):
 - d. [Bank 1] account number [Redacted];
 - e. [Bank 1] account number [Redacted]; and
 - f. [Bank 1] account number [Redacted];
5. Under section 45(2)(c) of the RESA, Mr. Song and Menethil will cease all dealings with the bank accounts currently held by Menethil on deposit for or in the name of Menethil, whether held solely or jointly, including the following bank accounts located at [Bank 1] located at [Property 2], Kelowna, BC Branch Number [Redacted]:
 - e. [Bank 1] account number [Redacted];
 - f. [Bank 1] account number [Redacted];
 - g. [Bank 1] account number [Redacted]; and
 - h. [Bank 1] account number [Redacted];

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

TAKE NOTICE that Mr. Song or Menethil 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 Mr. Song or Menethil may appeal this Order to the Financial Services Tribunal pursuant to section 54(1)(e) of RESA.

This Order is made on the 25th day of April, 2025, at Kelowna, British Columbia.

FOR THE BC FINANCIAL SERVICES AUTHORITY

“Original signed by Andrew Pendray”

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
MENETHIL PROPERTIES LTD.
(X035288)
AND
YU (DAVID) SONG
(180405)

ORDER TO FREEZE PROPERTY UNDER SECTION 46

Upon reading the sworn Affidavits of [Investigator 1], Investigator and [Auditor 1], Senior Auditor, both employed by the BC Financial Services Authority ("BCFSA"), and upon reviewing the Notice of Application of Meredith MacGregor and Laura Forseille, counsel for BCFSA (Compliance and Enforcement), the Superintendent of Real Estate (the "Superintendent") is satisfied that the requirements in section 46(1) of the *Real Estate Services Act* ("RESA") have been met:

6. there are reasonable grounds to believe that Menethil Properties Ltd. ("Menethil") and Yu (David) Song ("Mr. Song") have 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; and
7. it is in the public interest that an order be made under 46 of RESA.

THEREFORE, WE ORDER:

6. Under section 46(2)(a) of the RESA, Mr. Song and Menethil and anyone acting on its behalf are prohibited from withdrawing any funds out of the bank accounts currently held by Menethil on deposit for Menethil, whether held solely or jointly, including the following bank accounts located at [Bank 1] located at [Property 1], Kelowna, BC (Branch Number [Redacted]):
 - a. [Bank 1] account number [Redacted];
 - b. [Bank 1] account number [Redacted]; and
 - c. [Bank 1] account number [Redacted];
7. Under section 46(3) of the RESA, [Bank 1] will freeze and hold any and all accounts held on deposit for or in the name of Menethil, whether solely or jointly, and including the following accounts held at [Bank 1] located at [Property 1], Kelowna, BC (Branch Number [Redacted]):
 - a. [Bank 1] account number [Redacted];
 - b. [Bank 1] account number [Redacted]; and

c. [Bank 1] account number [Redacted];

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

8. Under section 46(2)(a) of the RESA, Mr. Song and Menethil and anyone acting on its behalf are prohibited from withdrawing any funds out of the bank accounts currently held by Menethil on deposit for Menethil, whether held solely or jointly, including the following bank accounts located at [Bank 1] located at [Property 2], Kelowna, BC (Branch Number [Redacted]):

- a. [Bank 1] account number [Redacted];
- b. [Bank 1] account number [Redacted];
- c. [Bank 1] account number [Redacted]; and
- d. [Bank 1] account number [Redacted].

9. Under section 46(3) of the RESA, [Bank 1] will freeze and hold any and all accounts held on deposit for or in the name of Menethil, whether solely or jointly, and including the following accounts held at [Bank 1] located at [Property 2], Kelowna, BC (Branch Number [Redacted]):

- a. [Bank 1] account number [Redacted];
- b. [Bank 1] account number [Redacted];
- c. [Bank 1] account number [Redacted]; and
- d. [Bank 1] account number [Redacted].

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 Mr. Song, Menethil, or [Bank 1], may appeal this Order to the Financial Services Tribunal under section 54(1)(e) of RESA

This Order is made on the 25th day of April, 2025, at Kelowna, British Columbia

FOR THE BC FINANCIAL SERVICES AUTHORITY

“Original signed by Andrew Pendray”

Andrew Pendray
Chief Hearing Officer