

CITATION: Foulds (Re), 2025 BCSRE 176

Date: 2025-10-31

File # INC 24-5364

BC FINANCIAL SERVICES AUTHORITY

IN THE MATTER OF THE *REAL ESTATE SERVICES ACT*

SBC 2004, c 42 as amended

AND

IN THE MATTER OF

DOUGLAS FOULDS

(147584)

AND

NECHAKO REAL ESTATE LTD. DBA CENTURY 21 IN TOWN REALTY

(X021172)

CONSENT ORDER

[This Order has been redacted before publication.]

RESPONDENTS: Douglas Foulds, Managing Broker, Nechako Real Estate Ltd. (doing business as Century 21 In Town Realty)

Nechako Real Estate Ltd. (doing business as Century 21 In Town Realty)

DATE OF CONSENT ORDER: October 31, 2025

COUNSEL: Meredith MacGregor, Legal Counsel for BC Financial Services Authority
Mario Checchia, Legal Counsel for the Respondents

PROCEEDINGS:

On October 31, 2025, the Superintendent of Real Estate (the “**Superintendent**”), or the Superintendent’s authorized delegate, of BC Financial Services Authority (“**BCFSA**”) accepted the Consent Order Proposal (the “**Proposal**”) submitted by Douglas Foulds on their own behalf and on behalf of Nechako Real Estate Ltd. (doing business as Century 21 In Town Realty).

WHEREAS the Proposal, a copy of which is attached hereto, has been executed by Douglas Foulds (“**D. Foulds**”) and Nechako Real Estate Ltd. (doing business as Century 21 In Town Realty) (the “**Brokerage**”).

NOW THEREFORE, having made the findings proposed in the attached Proposal, and found that the Managing Broker and the Brokerage committed professional misconduct within the meaning of sections 28(1)(b) and 1(c), 35(1)(a), 28(3)(a), 28(4), 66(1), 73(1), (2) and (3) and 79 of the *Real Estate Services Act* ("RESA"), pursuant to section 43 of the RESA the Superintendent orders that:

1. D. Foulds and the Brokerage be jointly and severally liable to pay a discipline penalty to BCFSa in the amount of \$25,000 within three (3) months from the date of this Order.
2. D. Foulds, at their own expense, register for and successfully complete the Brokers' Remedial Education Course as provided by Sauder School of Business at the University of British Columbia within 60 days of this Order.
3. D. Foulds and the Brokerage be jointly and severally liable to pay up to \$3,000 towards costs of one audit to be conducted by BCFSa within two (2) years of the date of this Order, at the rates set out in section 4.4 of the *Real Estate Services Regulation*.
4. The Brokerage will comply with section 73 of the Rules.
5. D. Foulds and the Brokerage be jointly and severally liable to pay enforcement expenses to BCFSa in the amount of \$3,000 within two (2) months from the date of the Order.
6. If D. Foulds and/or the Brokerage fails to comply with any of the terms of the Order set out above, the Superintendent may suspend or cancel their licenses without further notice to them, pursuant to sections 43(3) and 43(4) of the RESA.

Dated this 31st day of October, 2025 at the City of Victoria, British Columbia.

Superintendent of Real Estate

"Original signed by Jonathan Vandall"

Jonathan Vandall
Delegate of the Superintendent of Real Estate
Province of British Columbia

Attch.

BC FINANCIAL SERVICES AUTHORITY

IN THE MATTER OF THE *REAL ESTATE SERVICES ACT*

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DOUGLAS FOULDS

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AND

NECHAKO REAL ESTATE LTD. DBA CENTURY 21 IN TOWN REALTY

(X021172)

**CONSENT ORDER PROPOSAL BY DOUGLAS FOULDS AND NECHAKO
REAL ESATE LTD.**

BACKGROUND AND FACTS

This Consent Order Proposal (the "**Proposal**") is made by Douglas Foulds ("**D. Foulds**") and Nechako Real Estate Ltd. dba Century 21 In Town Realty (the "**Brokerage**") to the Superintendent of Real Estate (the "**Superintendent**") of the BC Financial Services Authority ("**BCFSA**") pursuant to section 41 of the *Real Estate Services Act* ("**RESA**").

For the purposes of the Proposal, D. Foulds, the Brokerage and the Superintendent have agreed upon the following facts:

1. D. Foulds (**147584**) has been licensed as the managing broker of the Brokerage since September 27, 2018.
2. The Brokerage (**X021172**) has been licensed since May 15, 1990 and provides trading and rental property management services.
3. In approximately February of 2016, an inspection of the Brokerage identified deficiencies in the Brokerage's trust reconciliation procedures for its pooled trust accounts, which were not reconciled in an appropriate format and manner as required under RESA.
4. In approximately November of 2017, a subsequent re-inspection of the Brokerage's pooled trust accounts revealed that the Brokerage continued to not reconcile the accounts in an appropriate format and manner (the "**November 2017 Inspection**"). During the November 2017 Inspection, a trust shortage was identified within two of the Brokerage's pooled trust accounts of \$76,253.21 and \$26,715.88.
5. The Brokerage and D. Foulds were advised of the deficiencies identified in the 2016 inspection and the 2017 re-inspection.

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6. From September of 2018 to present, D. Foulds has been the managing broker of the Brokerage.
 7. On May 8, 9, 10, and 13, 2019, BCFSA conducted a second re-inspection of the Brokerage's books and records to assess the Brokerage's compliance with the Real Estate Services Regulations, Rules and RESA (the "**May 2019 Inspection**"). The findings of this re-inspection identified the following deficiencies in the Brokerage's trust account management, *inter alia*:
 - a. Trust shortages in several accounts from August 2018 throughout March 2019;
 - b. Unsanctioned trust withdrawals;
 - c. Unreconciled trust accounts; and
 - d. Various accounting practices that were contrary to the *Rules*.
 8. The Brokerage and D. Foulds were advised of the deficiencies identified in the May 2019 Inspection, and they told BCFSA that they would address these deficiencies.
 9. Between January 15, 2024 and May 3, 2024, BCFSA conducted an audit (the "**2024 Audit**") of the Brokerage to assess the Brokerage's compliance with RESA, Real Estate Services Regulation, and the Rules, and to determine whether the observations noted in the June 2019 Report had been addressed by the managing broker, D. Foulds.
 10. During the 2024 Audit, BCFSA observed multiple continuing deficiencies, as described below.

Payments to Unlicensed Companies for Real Estate Services

11. On November 2, 2023, the Brokerage paid a tenant placement fee of \$5,924.11 to [Company 1], an unlicensed corporation ("**[Company 1]**").
12. On November 10, 2023, the Brokerage paid a property management commission of \$16,015.73 to [Company 1].
13. The Brokerage and D. Foulds have advised BCFSA that these payments were made by mistake and they should have been made directly to a licensee.

Trust Shortages

14. The Brokerage maintained a negative trust balance of \$603.92 within its property management rental income trust account ("**PM RI Trust Account**") for the months end of September and October 2023.
15. A historical review of the trust account further revealed that the balance was primarily negative from the period between May 2022 and December 2023, with various transactions either increasing or decreasing the shortage. On December 2023, the PM RI Trust account held a negative balance of \$4,854.69.
16. On April 25, 2024, the Brokerage resolved the trust shortage by making a \$2,674.74 payment from its general account to the PM RI Trust Account.
17. During the period from May 2022 to April 2024, the Brokerage did not notify BCFSA of the negative balance.

Financial Records

18. Between the period of January 2023 and December 2023, the Brokerage's accounting staff consistently recorded various transactions to (i) a miscellaneous subledger within the PM RI Trust

Account and (ii) a miscellaneous subledger in the property management security deposit trust account, instead of to specific property trust subledgers.

History

19. On June 4, 2024, BCFSa's findings within the 2024 Audit were provided to the Brokerage (the "**2024 Audit Report**"), with a request response from the Brokerage due June 18, 2024.
20. On June 18, 2024, D. Foulds provided a response to the observations noted in the 2024 Audit Report, stating that the Brokerage has taken or will take steps to address BCFSa's observations.
21. A Notice of Disciplinary Hearing was issued on March 26, 2025 and served on D. Foulds and the Brokerage.
22. The Brokerage's prior disciplinary history includes a single contravention of section 7-7 of the Rules (now section 75 of the Rules) in 2020. The Brokerage received a \$650 Administrative Penalty relating to this contravention.
23. D. Foulds has no prior history of discipline.

PROPOSED FINDINGS OF MISCONDUCT

For the sole purposes of the Proposal and based on the Facts outlined herein, D. Foulds and the Brokerage propose the following findings of misconduct be made by the Superintendent:

1. Nechako Real Estate Ltd. dba Century 21 In Town Realty (the "**Brokerage**") committed professional misconduct within the meaning of section 35(1)(a) of the RESA in that:
 - a. the Brokerage made payments to an unlicensed company for real estate services earned by a licensee from its property management commission trust account, the particulars of which include:
 - i. a transfer of \$5,924.11 from the Brokerage to the unlicensed company on November 2, 2023; and
 - ii. a transfer of \$16,015.73 from the Brokerage to the unlicensed company on November 10, 2023contrary to section 66(1) [*payment to unlicensed persons prohibited*] of the RESA;
 - b. In relation to trust shortages,
 - i. the Brokerage's subledger of the property management trust account ("**PM RI Trust Account**") held a negative trust balance of \$603.92 for the month ends of September and October 2023;
 - ii. the Brokerage's PM RI Trust Account held a primarily negative balance from the period between May 2022 to December 2023 which included the following uncorrected transfers:

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1. a duplicate transfer of \$2,899.50 to the Brokerage's general account on September 15, 2022 that resulted in a trust shortage of \$2,899.50;
 2. various bank fees ranging in amount from \$0.50 to \$115 between June 7, 2022 and February 26, 2023 which increased the trust shortage on dates they were recorded;
 3. an erroneous transfer of \$10 on July 26, 2023 to the Brokerage's general account which increased the trust shortage;
- iii. the trust shortage within the PM RI Trust Account was not immediately eliminated and/or reported to BCFSA within 10 days of the negative balance; contrary to sections 73(1), (2), and (3) [*negative balances in trust accounts and trust records*] of the RESA;
- c. the Brokerage failed to prepare or retain financial records necessary to ensure the appropriate and timely accounting of all transactions relating to real estate service provided by the Brokerage and its licensees, contrary to section 79 of the RESA, the particulars of which include:
- i. in relation to the PM RI Trust Account, from the period between January 2023 and December 2023:
 1. various bank charges not allocated to any specific property trust subledger;
 2. transfers erroneously made to and from the property management security deposit trust account ("**PM SD Trust Account**");
 3. overpayments to various vendors and tenants which were not applied to the related property trust subledger; and
 4. other miscellaneous transactions that did not directly relate to specific properties;
 - ii. in relation to the PM SD Trust Account, from the period between January 2023 and December 2023:
 1. various bank charges not allocated to any specific property trust subledger;
 2. transfers erroneously made to and from the PM RI Trust Account; and
 3. other miscellaneous transactions that did not directly relate to specific properties;

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2. D. Foulds committed professional misconduct within the meaning of section 35(1)(a) of the RESA in that while the managing broker of the Brokerage, he:
 - a. failed to ensure that the business of the Brokerage was carried out competently and in accordance with the RESA, the Rules and/or the Regulations as set out in paragraph 1 above, contrary to section 28(1)(b) of the RESA;
 - b. failed to ensure an adequate level of supervision for related associate brokers and representatives and for employees and other who perform duties on behalf of the Brokerage as set out in paragraph 1 above, contrary to section 28(1)(c) of the RESA;
 - c. failed to ensure that records of the Brokerage were maintained in accordance with RESA, the Rules and/or the Regulations as set out in paragraph 1 above, contrary to section 28(3)(a) of RESA; and/or
 - d. failed to ensure that trust accounts of the Brokerage were maintained in accordance with RESA, the Rules and/or the Regulations as set out in paragraph 1 above, contrary to section 28(4) of RESA.

PROPOSED ORDERS

Based on the facts herein and the Proposed Findings of Misconduct, D. Foulds and the Brokerage propose that the Notice of Discipline Hearing in this matter be resolved through the following Orders being made by the Superintendent, pursuant to section 43 of the RESA:

7. D. Foulds and the Brokerage be jointly and severally liable to pay a discipline penalty to BCFSa in the amount of \$25,000 within three (3) months from the date of this Order.
8. D. Foulds, at their own expense, register for and successfully complete the Brokers' Remedial Education Course as provided by Sauder School of Business at the University of British Columbia within 60 days of this Order.
9. D. Foulds and the Brokerage be jointly and severally liable to pay up to \$3,000 towards costs of one audit to be conducted by BCFSa within two (2) years of the date of this Order, at the rates set out in section 4.4 of the *Real Estate Services Regulation*.
10. The Brokerage will comply with section 73 of the Rules.
11. D. Foulds and the Brokerage be jointly and severally liable to pay enforcement expenses to BCFSa in the amount of \$3,000 within two (2) months from the date of the Order.
12. If D. Foulds and/or the Brokerage fails to comply with any of the terms of the Order set out above, the Superintendent may suspend or cancel their licenses without further notice to them, pursuant to sections 43(3) and 43(4) of the RESA.

ACKNOWLEDGEMENTS AND WAIVER OF APPEAL RIGHT

1. D. Foulds and the Brokerage acknowledge and understand that the Superintendent may accept or reject the Proposal. If the Proposal is rejected by the Superintendent, the matter may be referred to a disciplinary hearing.

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2. D. Foulds and the Brokerage acknowledge that they have been urged and given the opportunity to seek and obtain independent legal advice with respect to the disciplinary process, the allegations contained in the Notice of Discipline Hearing, and the execution and submission of the Proposal to the Superintendent; and, that they have obtained independent legal advice or has chosen not to do so, and that they are making the Proposal with full knowledge of the contents and the consequences if the Proposal is accepted.
 3. D. Foulds and the Brokerage acknowledge and are aware that BCFSa will publish the Proposal and the Consent Order or summaries thereof on BCFSa's website, on CanLII, a website for legal research and in such other places and by such other means as BCFSa in its sole discretion deems appropriate.
 4. D. Foulds and the Brokerage hereby waive their right to appeal pursuant to section 54 of the RESA.
 5. If the Proposal is accepted and/or relied upon by the Superintendent, D. Foulds and the Brokerage will not make any public statement(s) inconsistent with the Proposal and its contents. Nothing in this section is intended to restrict D. Foulds and the Brokerage from making full answer and defence to any civil or criminal proceeding(s).
 6. The Proposal and its contents are made by D. Foulds and the Brokerage for the sole purpose of resolving the Notice of Discipline Hearing in this matter and do not constitute an admission of civil liability. Pursuant to section 41(5) of the RESA, the Proposal and its contents may not be used without the consent of D. Foulds and the Brokerage in any civil proceeding with respect to the matter.

"Original signed by Douglas Foulds"

DOUGLAS FOULDS

Dated 21st day of October, 2025

"Original signed by Douglas Foulds"

**DOUGLAS FOULDS, Authorized Signatory for
Nechako Real Estate Ltd.**

Dated 21st day of October, 2025