

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

**- AND -**

**KA WOUN CHU also known as**

**PHOEBE JONES**

**ORDERS UNDER SECTIONS 51 AND 49 OF  
THE REAL ESTATE SERVICES ACT**

UPON REVIEWING the submissions and exhibits contained in the Investigation Report prepared by the staff of the Superintendent of Real Estate, I am of the opinion that:

1. On December 28, 2007, the investigative staff of the Financial Institutions Commission ("the Staff") received a complaint that Ka Woun Shu, also known as Phoebe Jones ("Jones") was providing rental property management services without being licensed under the *Real Estate Services Act* ("the Act").
2. The Real Estate Council of British Columbia ("the Council") confirmed that Jones is not licensed to provide real estate services in the Province of British Columbia.
3. Section 1 of the *Act* defines "Real Estate Services" as:
  - (a) rental property management services,
  - (b) strata management services, or
  - (c) trading services.
4. Section 1 of the *Act* defines "Rental Property Management Services" as meaning "any of the following services provided to or on behalf of an owner of rental real estate":
  - (a) trading services in relation to the rental of real estate;
  - (b) collecting rents or security deposits for the use of the real estate;
  - (c) managing the real estate on behalf of the owner by
    - (i) making payments to third parties,

- (ii) negotiating or entering into contracts,
- (iii) supervising employees or contractors hired or engaged by the owner, or
- (iv) managing landlord and tenant matters

but does not include an activity excluded by the regulation.

5. Section 1 of the *Act* defines "trading services" as meaning any of the following services provided to or on behalf of a party to a trade in real estate:

- (a) advising on the appropriate price for the real estate;
- (b) making representations about the real estate;
- (c) finding the real estate for a party to acquire;
- (d) finding a party to acquire the real estate;
- (e) showing the real estate;
- (f) negotiating the price of the real estate or the terms of the trade in real estate;
- (g) presenting offers to dispose of or acquire the real estate;
- (h) receiving deposit money paid in respect of the real estate

but does not include an activity excluded by regulation.

6. Section 3(1) of the *Act* states:

A person must not provide real estate services to or on behalf of another, for or in expectation of remuneration, unless the person is

- (a) licensed under this Part to provide those real estate services, or
- (b) exempted by subsection (3) or the regulations from the requirement to be licensed under this Part in relation to the provision of those real estate services.

7. The complaint against Jones alleged that a couple and their five children ("the Family") had rented a house on Calderwood Crescent in Richmond, British Columbia ("the Calderwood Residence") through Jones. It was further alleged that:

- (a) The family were looking to rent a house, and answered an ad placed by property manager Jones for a residence on Calderwood Crescent in Richmond.

- (b) The Family moved into the Calderwood Residence and noticed it had a new roof and the walls were freshly painted.
  - (c) The Family's hydro bill for the first month was extremely high.
  - (d) The Family believed the Calderwood Residence had previously been a marijuana grow operation. Their landlord insisted otherwise, so they contacted the City of Richmond.
  - (e) The Calderwood Residence was then inspected by the City of Richmond Public Safety Inspection Team which determined that it had previously been a marijuana grow operation.
  - (f) The Family was forced to vacate the Calderwood Residence within 48 hours of the inspection, which occurred in December 2007.
8. Jones was contacted by a reporter who was doing a story on the Family and their eviction from the Calderwood Residence. Jones stated the following to the reporter:
- (a) She currently manages over a dozen properties.
  - (b) She had not done quarterly inspections of the Calderwood Residence as required by local By-laws. When asked why not, Jones stated, "Well, I guess I was lazy, is that what you're looking for?"
  - (c) When asked if she was a licensed property manager, Jones claimed she did not have to hold a licence, stating, "The only requirement is the client trusts me. I can work for anybody."
9. On January 31, 2008, the Staff spoke to Inspector Ray Barclay ("Barclay") of the Richmond Fire and Rescue Department. Barclay advised that:
- (a) He attended ██████████ Calderwood Crescent, Richmond, British Columbia on December 12, 2007 as part of a team that conducts public safety inspections.
  - (b) The tenants of the residence were the Family.
  - (c) Jones arrived at the residence while he was there and identified herself as the property manager.
  - (d) He advised Jones the residence required some remediation, and Jones said "They would just demolish it then".

- (e) He believed Jones was operating as the property manager for the Calderwood Residence.
10. On January 31, 2008, the Staff called the contact number for Jones on the pretext of requiring property management services. The telephone was not answered so the Staff left a message for someone to return the call.
  11. On January 31, 2008, the Staff received a call from a woman who identified herself as Jones, stating she was responding to the previous call regarding property management services. In that conversation, Jones stated the following:
    - (a) She does property management for a living.
    - (b) She works for mainly overseas landlords.
    - (c) She receives 5% of gross rental income.
    - (d) She interviews tenants.
    - (e) She places advertisements for properties in various newspapers and on the internet.
    - (f) She deposits rents into an account and provides a monthly statement to the landlord.
    - (g) Some landlords prefer to receive rental cheques, and then provide her with a separate cheque for her services.
    - (h) Her email address is [REDACTED]
  12. The Staff requested Jones to provide references, contact information, and a copy of a contract. Jones responded by stating that the Staff should email her at the above email address, and she would provide the requested information.
  13. On January 31, 2008, the Staff sent an email to Jones at the email address provided requesting the contact information, references, and a contract.
  14. The Staff received an email from Jones dated February 2, 2008 in which she provided a reference. Jones also stated the following:
    - (a) She has been managing various properties for the reference, including houses and apartment buildings, since 1989.
    - (b) She is a self-employed property manager.

- (c) She is not a realtor, and is neither licensed nor bonded.
- (d) Her clients were referred to her either by introduction or by word of mouth.
- (e) She has no staff and provides property management services on her own.
- (f) She works from her home, and her contact number is cellular telephone number [REDACTED]
- (g) She meets her clients or tenants either at the rental locations or at coffee shops.

AND WHEREAS I find that:

1. Jones is not licensed under the *Act* to provide real estate services within the province of British Columbia. A license is required pursuant to Section 3 of the *Act* for a person to provide real estate services to or on behalf of another.
2. Jones is actively engaged in providing real estate services to or on behalf of others for or in expectation of remuneration.
3. Jones is not exempted from the requirement to be licensed by subsection 3(3) of the *Act*, nor is she exempted from the requirement to be licensed by the Regulations.
4. Jones is engaging in real estate services for which a license under the *Act* is required. Jones does not have the required license.

I THEREFORE CONSIDER that Jones is conducting herself in a manner that would enable me to make an order under section 49 of the *Act*.

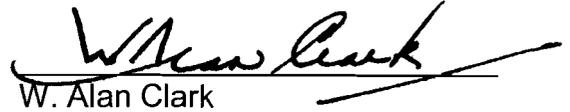
I FURTHER CONSIDER that the length of time that would be required to hold a hearing in order to make an order under section 49 of the *Act* would be detrimental to the public interest. A hearing would likely take months to prepare for and conduct. Jones is conducting unlicensed activity without any supervision from a licensed person. She is collecting and holding money in relation to rental properties without the safeguards provided by the regulations. Public money is at risk.

I THEREFORE ORDER pursuant to sections 51(2) (a) and 49(2) (a) of the *Act* that Ka Woun Shu, also known as Phoebe Jones:

**Cease and desist conducting, directly or indirectly, real estate services, including rental property management services, in British Columbia, effective immediately.**

TAKE NOTICE that Ka Woun Shu, also known as Phoebe Jones, may appeal this Order to the Financial Services Tribunal under section 54(1)(e) of the *Act*, or require a hearing before the Superintendent under sections 51(3) and 45(6) of the *Act*.

Dated at the  
City of Surrey,  
Province of British Columbia  
this 21st day of February, 2008.

  
W. Alan Clark  
Superintendent of Real Estate  
Province of British Columbia

TO: Ka Woun Shu, also known as Phoebe Jones



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