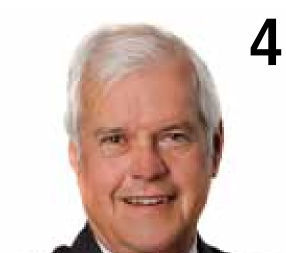
RECO Annual Report 2012-2013

RECO'S NEW MANDATORY CONTINUING EDUCATION PROGRAM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YEAR 2012-2013 IN BRIEF

RENEWED ENGAGEMENT WITH REGISTRANTS

RECO continued to develop engaging resources for registrants through a variety of channels. These included multimedia presentations on important topics, quarterly editions of the *For the RECOrd* newsletter and one-on-one interaction at 46 industry events across the province.

Look for details on page 4.

RECO'S NEW MANDATORY CONTINUING EDUCATION PROGRAM

On August 1, 2013, RECO will launch a new mandatory continuing education program. Under the new program, RECO will offer all courses directly to registrants through online delivery.

Its content will focus on consumer protection, regulatory matters and current industry issues, which fits with RECO's mission to protect the public interest through a fair, safe and informed real estate marketplace.

Look for details on page 8.

REACHING OUT TO ONTARIO'S HOME BUYERS AND SELLERS

RECO executed a multi-faceted consumer awareness campaign to inform Ontarians about the benefits of a regulated real estate industry. The campaign consisted of a province-wide TV advertisement, a weekly column in the *Toronto Star*, the *RECOnnect* consumer newsletter and participation at two consumer shows.

Look for details on page 10.

EXPANDING ONLINE SERVICES

RECO continued to demonstrate a commitment to delivering online services through the MyWeb registrant portal, which allows real estate professionals to complete a variety of administrative functions with the click of a button. During 2012-2013, RECO introduced online transfers and terminations, which complement the existing online registration renewal service.

Look for details on page 15.

Preparing RECO for the future

On behalf of the Board of Directors, it is my pleasure to present the Real Estate Council of Ontario's (RECO) annual report for the 2012-2013 fiscal year.

This report provides RECO with an essential opportunity to detail its achievements throughout the year. RECO's mandate is to administer the *Real Estate and Business Brokers Act, 2002* (REBBA 2002) on behalf of the provincial government, which entails a focus on protecting consumers when they engage in real estate transactions. That focus guides RECO's efforts, and I'm proud to report that RECO has made great strides in 2012-2013.

RENEWED ENGAGEMENT WITH REGISTRANTS

In recent years, RECO has placed a strong emphasis on reaching out to Ontario consumers through video podcasts, ad campaigns, newsletters and traditional and social media. In all of its outreach, RECO tells consumers about the value of a regulated industry, but it's Ontario's 65,000 brokers and salespersons, known as registrants, who demonstrate that value through hard work and professionalism. As registrants are the face of the real estate industry, it's crucial for RECO to maintain a strong level of engagement with them.

This year RECO strengthened its engagement in several ways.

Registrants often have questions about important issues such as representation and referral fees. To help registrants understand the requirements surrounding these matters, RECO produced multimedia presentations that combine slides with moving video, using innovative visuals to communicate these key issues in an easy-to-follow way. RECO has now produced three of these presentations, and the response from real estate professionals has been very encouraging. RECO is considering other topics that would be suitable for this unique medium.

For more timely information, RECO's registrant newsletter, *For the RECOrd*, is the medium of choice. This year's four editions included emerging regulatory and technology issues, with a balance of columns and longer feature articles. In addition, RECO added more visual interest by further refining the newsletter's unique style and introducing engaging and informative infographics.

The newsletter complements RECO's extensive in-person registrant outreach efforts. In 2012-2013, RECO attended 46 industry events across Ontario and offered presentations at 24 of the events. These events provide RECO representatives and registrants with valuable opportunities to get to know each other and learn from one another.

EDUCATION AND PROFESSIONALISM

RECO's mandatory continuing education program has served the industry well since it was introduced in 2000, but there's no denying the rapid technological developments that have reshaped the real estate industry since then. Following an extensive review that involved consultation with registrants and other stakeholders, RECO will introduce a new mandatory continuing education program on August 1, 2013. The program will use interactive online learning technology to focus on the issues most relevant to RECO's mandate: consumer protection, regulatory matters and current industry issues.

While educational requirements and standards for conduct are crucial, the unwritten expectations of real estate professionals are equally important. To nurture the spirit of professionalism in the real estate industry, RECO has reached out to registrants to explain why embracing professionalism is good for business, and the industry as a whole. This year, articles published in *For the RECOrd* dealt with the issue of professionalism and work is underway on a series of web videos on professionalism that will explore the topic in a compelling way.

SAFEGUARDING RECO'S FUTURE

RECO is working toward compliance with the new *Canada Not-for-profit Corporations Act*, which will require changes to RECO's by-laws. At the AGM in June 2014, members will have an opportunity to review the changes, well in advance of the October 2014 compliance deadline.

LOOKING FORWARD

I would like to offer my sincere appreciation to the Board of Directors for their support during my two terms as Chair. During this time, I have developed a deep respect for the hard work and dedication of RECO staff at all levels. President/CEO Tom Wright exemplifies the passion of RECO's staff; without them RECO would not be among the leaders in real estate regulation, as it is today.

RECO's staff has had a notable addition this year: in the fall, Joseph Richer joined RECO as Registrar following an extensive recruitment process. Joseph has come to RECO with over 20 years of experience working for a regulatory body, and in just a few months he has developed an impressive understanding of the real estate industry. It's been my pleasure to welcome Joseph to RECO and I look forward to the fresh ideas he will bring to the Office of the Registrar and RECO.

This year RECO welcomed a new Registrar, introduced a new mandatory continuing education program and renewed its registrant engagement efforts. In many ways it's the start of a new era, but what won't change is RECO's dedication to its core purpose of fostering confidence and upholding integrity in real estate transactions. Please read on to learn more about how RECO endeavored to become a more effective regulator in 2012-2013.

Keith Tarswell
Chair, Board of Directors

While educational requirements and standards for conduct are crucial, the unwritten expectations of real estate professionals are equally important.

RECO focus on continuous improvement

Each year, the staff and Directors of the Real Estate Council of Ontario (RECO) work to fulfill our core purpose of fostering confidence and upholding integrity in real estate transactions. Just as importantly, we also look for ways of doing it better. Enhancing service excellence is at the core of RECO's strategic direction, and has been exemplified by a number of our initiatives in the 2012-2013 fiscal year.

WELCOMING A NEW REGISTRAR

Joseph Richer joined RECO as Registrar in September 2012, bringing extensive experience in regulatory compliance, education and consumer protection principles from his previous role as Registrar of the Board of Funeral Services. Joseph is committed to upholding the integrity of the industry through a balanced and contemporary approach to regulation.

He has hit the ground running, meeting many of you at trade shows and events across the province and learning about the issues impacting the real estate industry. I encourage you to take a moment to say hello when you see him at a local event. Ongoing two-way communication is essential for delivering a regulatory framework that best serves consumers and registrants alike.

ENHANCING SERVICE EXCELLENCE

RECO is committed to providing proficient service to the public and to registrants. To continue meeting that goal, it's essential for RECO to have well-developed procedures and systems in place to support the work of staff. Last year, RECO began a business process review to analyze its core functions and map the process flow between departments and between RECO and external parties. The review identified gaps and opportunities for improvement. Most notably, the review provided guidance for acquiring new technologies, which will help ensure that the chosen technology will ultimately serve business requirements.

With the review completed, our efforts turned to the identification of operating principles, performance measures and performance targets, which will drive updates to RECO's existing database platform. The platform update strategy will focus on improving customer satisfaction, balanced with risk management and careful consideration of financial matters.

FOSTERING AN ENGAGED WORKPLACE

RECO staff work diligently to answer registrants' inquiries, produce timely consumer communications materials, ensure brokerages meet their reporting requirements, and much more. They are a vital asset to real estate regulation in Ontario, so it's important to understand their needs, strengths and challenges. With that in mind, RECO conducted a survey and follow-up focus groups with staff last year. The results were grouped under several themes for further exploration.

This year, a steering committee and advisory groups consisting of both management and staff were formed to identify opportunities to foster increased engagement in the areas most meaningful to employees. Specific recommendations from the advisory groups are now under consideration and implementation will commence in the coming months. Future staff surveys will help ensure that the right changes have been made and will guide us to additional areas for continuous improvement. After all, an engaged workplace is better positioned to carry out RECO's regulatory responsibilities.

RECOGNITION

As we focus on continuous improvements in each facet of the way we do business, it's also important to take a moment to recognize our achievements. This year, RECO was recognized with an award from the Canadian Public Relations Society for our consumer awareness campaign, which encouraged Ontario's home buyers and sellers to discover the benefits of a regulated real estate industry.

The campaign included RECO's proactive media relations outreach, the weekly *Ask Joe* column in the Saturday *Toronto Star*, the consumer newsletter *RECOnnect* and direct consumer engagement at the *International Home and Garden Show* and the *National Bridal Show*. While ongoing registrant and home buyer and seller feedback lets us know that RECO has made great strides in spreading our consumer protection message, this award helps to re-affirm the success of our efforts.

RECO continues to be appreciative for its strong relationship with the Ministry of Consumer Services. In addition, the support of the Ontario Real Estate Association and real estate boards and associations across the province has been beneficial in helping to share important regulatory information with registered real estate professionals.

RECO staff work diligently to answer registrants' inquiries, produce timely consumer communications materials, ensure brokerages meet their reporting requirements, and much more.

RECO's ongoing commitment to continuous improvement would not be possible without the hard work and dedication of staff. RECO staff work diligently and efficiently each day, and for that I thank them. You can see some of RECO's staff in images throughout this report, demonstrating the many ways in which they contribute to the effective delivery of real estate regulation in Ontario. I would also like to thank RECO's Directors for their support, guidance and commitment to real estate regulation. Looking back at the past year, I am proud of RECO's accomplishments and excited by the opportunities that lie ahead.

Tom Wright

Tom Wright
President/CEO

Focused & forward-looking:

RECO's new mandatory continuing education program

Becoming a real estate professional is just the beginning of a life-long learning process. To support this, RECO's mandatory continuing education program helps ensure that real estate professionals keep their skills and knowledge up-to-date throughout their careers. To maintain registration with RECO, every two years registrants must complete a RECO update course and elective credits. These courses are currently offered by the Ontario Real Estate Association and third-party education providers.

This model has served the industry well since it was introduced in 2000, but in recognition of significant technological and industry changes since then, RECO will launch a new mandatory continuing education program on August 1, 2013. Under the new program, RECO will offer all courses directly to registrants through online delivery.

The program will provide significant benefits to real estate professionals and the consumers who look to them for expertise. Its content will focus on consumer protection, regulatory matters and current industry issues, which fits with RECO's mission to protect the public interest through a fair, safe and informed real estate marketplace.

The program's online format will leverage cutting-edge learning technology. This will enable real estate professionals to learn anytime, from anywhere and at their own pace. In addition, RECO will be able to rapidly deploy new course content in response to emerging issues.

Statistics show that many of Ontario's real estate professionals have already embraced online learning opportunities.

RECO will launch the program on August 1, 2013 with a two year transition period. During that time, registrants will have flexible options to meet their continuing education requirement under the current program or the new program.

Prior to designing the new mandatory continuing education program, RECO commissioned a review by Benchmark Performance Inc., an independent third-party consultant. Benchmark Performance Inc. gathered extensive feedback from the people most involved in RECO's current continuing education program: registrants, real estate boards and associations, and approved education providers. In surveys and focus groups, registrants asked for a mandatory continuing education program that is more focused and convenient.

In addition, Benchmark Performance Inc. investigated leading learning practices and spoke to other Canadian real estate regulators and educational experts. Regulatory bodies in other jurisdictions reported that online education has been successful and well-received.

Statistics show that many of Ontario's real estate professionals have already embraced online learning opportunities. When registrants take the RECO Update Course through the Ontario Real Estate Association, they can choose between learning online or in a traditional classroom. The number of registrants choosing the online option has been growing steadily; in fact, it has nearly doubled between 2008 and 2012. Last year, close to half of all registrants chose the online option.

By focusing on the content that matters most and delivering it through an effective and convenient platform, the new program will ensure registrants can keep pace with the rapidly-changing real estate industry.

TRANSITION COMPLETE

AUGUST 1, 2015

Following the two-year transition, the current program will cease on August 1, 2015. Any registrant renewing after that date must meet their continuing education requirement under the new program.

REVIEW & CONSULTATION

RECO hired Benchmark Performance Inc., an independent third party consultant, to conduct a review of the mandatory continuing education program.

In surveys and focus groups, registrants asked for a mandatory continuing education program that is more flexible, with training focused on their regulated requirements.

PROGRAM LAUNCH

AUGUST 1, 2013

On August 1, 2013 RECO will introduce the new program, but during a two-year transition period registrants will have flexible options for completing their continuing education requirement under the new program or the current program.

PROGRAM DESIGN

In analyzing registrant and stakeholder feedback, RECO determined that the best way to meet its objectives (adaptability, targeted learning, industry-specific content, user-friendliness and consistency) was an online program administered directly by RECO.

CLIENTS / CUSTOMERS

Objective	Measure
Promote registrants' understanding of RECO and its role	RECO representatives engaged registrants face-to-face at 46 industry trade shows, 24 of which involved speaking engagements, including several presentations to real estate boards and associations focussed on helping registrants better understand the investigations and inspections processes. RECO developed multimedia presentations that educated registrants on the key issues of referral fees and representation.
Knowledgeable, competent and professional registrants	RECO hired an external consultant who completed a thorough review of education, including the registration, articling, broker and continuing education programs. As a result of the review, RECO will launch a new mandatory continuing education program on August 1, 2013. Updates to courses in RECO's registration, articling and broker education programs ensured that registrants receive up-to-date instruction on emerging issues. To share knowledge on education in a regulatory environment, RECO hosted and participated in the Canadian Regulators Group (CRG) Education Conference in Toronto. Quarterly registrant newsletters and bulletins on emerging issues were published, featuring timely and easy-to-understand information.
Be the source of consumer protection, education and information for real estate transactions	RECO launched a TV ad campaign that aired across Ontario. A parallel online advertising campaign further expanded the reach of RECO's consumer awareness message. The ad campaign was supplemented by renewed media outreach efforts. RECO introduced a new weekly column in the Saturday *Toronto Star*, where Registrar Joseph Richer answers consumers' questions about real estate. In addition, RECO nurtured relationships with mainstream media influencers and implemented a proactive media campaign. All media outreach promoted RECO's role and the value of a regulated industry and referred buyers and sellers to RECO's website for more information. RECO participated in the *International Home and Garden Show* and the *National Bridal Show* to educate homebuyers and sellers about RECO's role and the benefits of working with a registered real estate professional. RECO also reached out to buyers and sellers with three consumer newsletter editions that featured engaging and informative topics.

RECO introduced a new weekly column in the Saturday Toronto Star, where Registrar Joseph Richer answers consumers' questions about real estate.

CLIENTS / CUSTOMERS CONTINUED

Objective	Measure
Improve service quality to consumers and registrants	RECO launched an online termination and transfer system enabling registrants and employing brokers to electronically transfer or terminate employees, greatly increasing the efficiency of the process and reducing the number of deficient applications. Following a feasibility study, RECO launched a pilot of complaint mediation, which will enable complainants to have greater involvement in the process to achieve a satisfactory resolution.
French language services	French speaking staff are available during regular business hours to respond to all communications received in French. A French version of the consumer publication *Buying or Selling Your Home* is available on RECO's website and in print format, demonstrating RECO's commitment to providing services in French.

INTERNAL PROCESSES & SYSTEMS

Objective	Measure
Reliable systems and processes for core business activities	Work continued on the business process review with the identification of operating principles, performance measures and performance targets that will act as the basis for specifications for a new database platform. Process maps for registration and complaint handling were validated and a project charter was created to guide the project through to implementation. New servers and storage were purchased and installed. These upgrades enhanced storage capacity, improved performance of critical business systems and provide superior data recovery in the event of a disaster recovery scenario. RECO's relocation to the new office is complete and a new telephone system has been implemented with advanced features, allowing for better customer service.

STAKEHOLDERS

Objective	Measure
Support the role of the Ontario government in consumer protection	RECO continued to work closely with Ministry of Consumer Services staff to provide advice and support on the development of policy proposals and legislative changes. RECO also supported consumer protection initiatives via participation in the Government of Ontario's Public Education committee and Government and Community Services Fair.
Enhance RECO's reputation for consumer protection in the real estate sector	RECO reached out with presentations that educated law enforcement officers about mortgage fraud and RECO's regulatory activities. RECO engaged other regulators through a social media working group to share ideas and leading practices.

PEOPLE

Objective	Measure
Ensure a qualified, skilled, stable and sustainable workforce	Following the Employee Engagement Survey conducted in FY2012, RECO formed advisory groups to consider the survey results and make recommendations for changes to meet employee needs. Based on these recommendations, a steering committee has created plans in the areas of culture, compensation and talent management for implementation in the coming year.

FINANCIAL

Objective

Allocate funds appropriately to support strategic/operational priorities and ensure the long-term financial stability of the organization

Measure

As part of the strategic planning process in October 2012, RECO's Board of Directors reached out to individuals and organizations that have an interest in the success of the organization. Nearly 100 participants provided input and perspectives about the future of RECO. The feedback, along with statistics and information gathered from ongoing registrant surveys, significantly influenced the directions and priorities set forth in RECO's Strategic Business Plan for the fiscal years 2014 to 2017.

Amendments to the *Real Estate and Business Brokers Act, 2002* (REBBA 2002)

Effective December 31, 2012, Section 8 of REBBA 2002 dealing with specialist certification was repealed. Section 8 read:

(1) No registrant shall hold himself, herself or itself out as a specialist in trading in any type of real estate unless,

(a) the trading in that type of real estate is prescribed as an area of specialization; and

(b) the registrant is certified as prescribed, as a specialist in trading in that area of specialization. 2002, c. 30, Sched. C, s.8 (1)

Brokerage categories

(2) A regulation under this section may differentiate among brokerages and between brokerages and brokers and salespersons and may provide that brokerages that are corporations may not be certified as specialists.

High professional standards benefit Ontario's consumers and the real estate profession

I joined the Real Estate Council of Ontario (RECO) as Registrar in September 2012 after 20 years with Ontario's Board of Funeral Services, where I was Registrar for 14 years. Since my arrival, I've been busy learning the ins-and-outs of the real estate industry, meeting with real estate professionals throughout the province, and working with the strong staff and leadership within RECO to develop a plan for continued success.

The real estate profession continued to grow in 2012-2013, with more than 6,000 newly-registered real estate professionals. With a growing membership and a constantly evolving sector, driven more and more by technology, it's important that RECO continues to adapt and find ways to support registrants and protect home buyers and sellers.

It's an exciting time to be a part of RECO. The annual report provides an opportunity to reflect on some significant accomplishments over the past year and highlight key priorities that will help shape the future of Ontario's real estate sector.

A NEW APPROACH TO CONTINUING EDUCATION

RECO is responsible for setting and enforcing strong pre-registration and continuing education standards for real estate professionals in the province. It's because of those standards that consumers can have confidence that a registered real estate professional has the skills and knowledge to navigate them through the competitive and often emotionally-charged process.

Over the past year, RECO completed a comprehensive review of the mandatory continuing education program for brokers and salespersons across Ontario. In January 2013, after an extensive third-party study of leading practices and consultation with registrants and other stakeholders, RECO announced a new mandatory continuing education program to be introduced on August 1, 2013. The new program will be delivered online and administered directly by RECO. Shifting to online delivery means a consistent learning experience that allows registrants more freedom to complete their requirements any time, any place, at any pace. The course content will also be more focused, specifically targeting RECO's mandate of regulatory compliance, consumer protection and current sector issues.

I'm proud of the new program and look forward to its rollout later this year. I'm confident it will establish a strong foundation for the future of the real estate sector in Ontario.

EXPANDING ONLINE SERVICES

RECO continues to demonstrate a commitment to delivering online services through the MyWeb registrant portal, which allows real estate professionals to complete a variety of administrative functions with the click of a button.

Last year, RECO broadened MyWeb to include terminations and transfers, streamlining the approval process from several days with paper-based transfers to a simple step-by-step electronic process that takes mere minutes. It's a significant development, particularly for registrants who are transferring brokerages, because the *Real Estate and Business Brokers Act, 2002* (REBBA 2002) prohibits registrants from trading in real estate until their application for transfer is completed. With online transfers now available, they can get back to trading immediately.

I'm pleased to report that since the new services were introduced in May 2012, MyWeb has processed more than 1,200 terminations and 2,500 transfers.

PROMOTING COMPLIANT ADVERTISING

A survey of registrant advertising in 2010 found that nearly three-quarters of the ads reviewed were deemed to be non-compliant with the then-current guidelines. Since then, RECO has taken action to address the compliance level.

The advertising initiative focused on streamlining the advertising guidelines and creating supporting resources that make it easier for registrants to build creative and compliant advertising. RECO enhanced communication to registrants about advertising compliance and developed an approach focused on bringing ads into compliance rather than imposing sanctions.

The new advertising guidelines and resources launched in September 2011. Earlier this year, RECO carried out a follow-up survey of registrant advertising to measure the effectiveness of the program. I am pleased to announce that the rate of advertising compliance has increased by 135 per cent. While the formal advertising initiative has come to an end, RECO will continue to focus on educating registrants by communicating about advertising issues so that the trend of increasing compliance will continue.

PRIORITIES FOR THE YEAR AHEAD

In addition to ensuring the success of the new mandatory continuing education program and other ongoing projects, I have two key priorities over the coming year. The first will be to find efficiencies by streamlining internal administrative processes. The second will be to employ mediation as an alternate response to address complaints involving breaches of the Code of Ethics. Rest assured, the goal of RECO's complaints and compliance function will continue to be consumer protection. Rather than handing down a decision, mediation will involve the parties in the decision-making process, increasing their satisfaction in the outcome. Only appropriate complaints will be considered for mediation.

As I work through these priorities, I will continue to draw on the support and expertise of staff working under the umbrella of the Office of the Registrar in registration, education, complaints, compliance & discipline, and inspections & investigations to execute RECO's regulatory activities.

I would also like to thank Allan Johnston, former Registrar of RECO, for his vision and commitment to the sector. Our success will be built on the foundation he has established.

While I am pleased with the accomplishments of the past year, I remain focused on the tasks ahead. I look forward to working with RECO's staff and Ontario's real estate professionals to foster confidence and uphold integrity in Ontario's real estate profession.

Joseph Richer
Registrar

I have two key priorities over the coming year. The first will be to find efficiencies by streamlining internal administrative processes. The second will be to employ mediation as an alternate response to address complaints involving breaches of the Code of Ethics.

TOTAL REGISTRANTS by category (65,910)

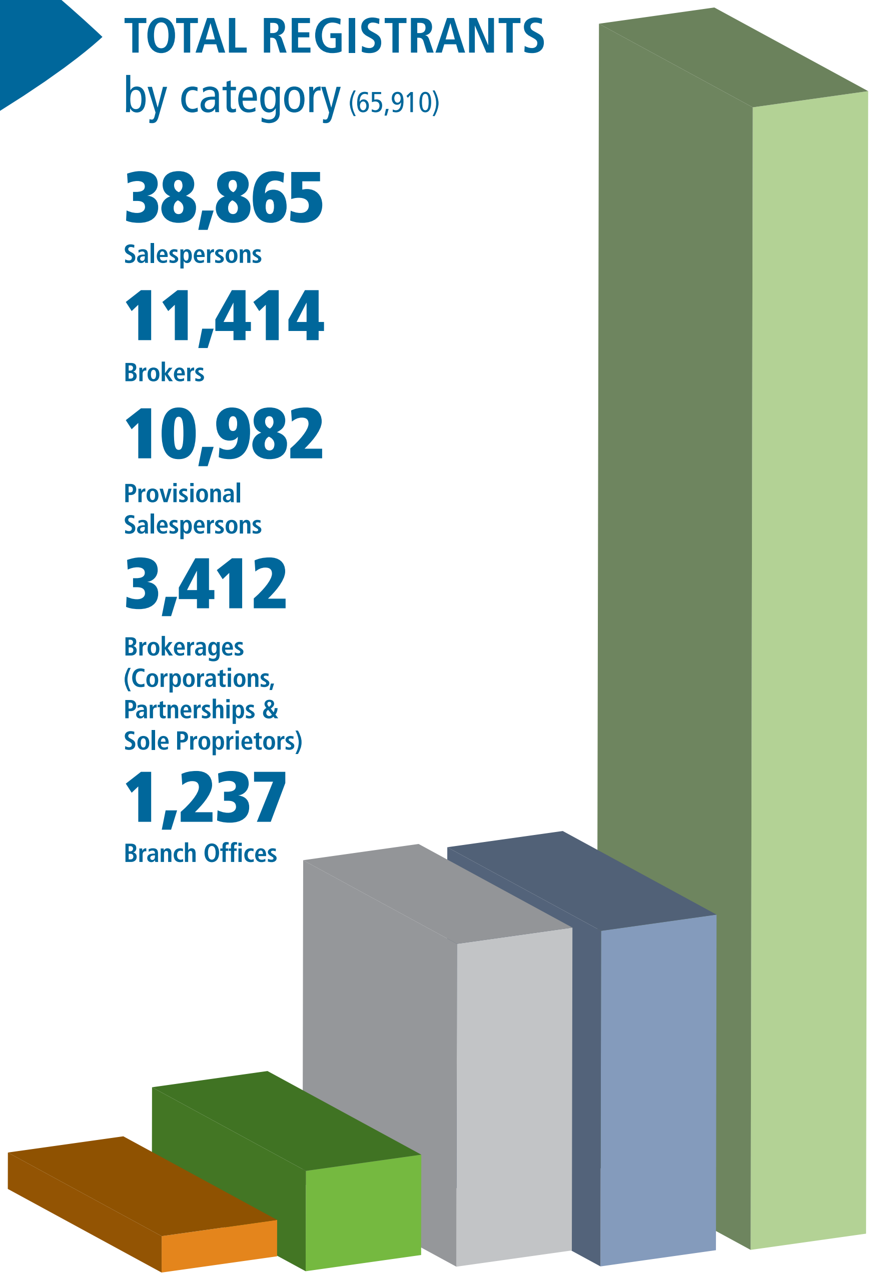
38,865
Salespersons

11,414
Brokers

10,982
Provisional Salespersons

3,412
Brokerages (Corporations, Partnerships & Sole Proprietors)

1,237
Branch Offices



PERFORMANCE REVIEW

RECO is committed to fostering confidence and upholding integrity in real estate transactions. This is accomplished through the day-to-day regulation of Ontario's more than 65,000 real estate registrants.

RECO regulates the activity of trade in real estate in the public interest. Protecting the public interest is achieved through:

- Enforcing the standards required to obtain and maintain registration as a brokerage, broker or salesperson and delivering the duties of the Registrar;
- Establishing minimum requirements for pre-registration, articling, broker, and continuing education;
- Promoting ongoing education and competent, knowledgeable and professional service;
- Conducting routine inspections of brokerage offices to ensure compliance with REBBA 2002 and educate brokers of record;
- Addressing inquiries, concerns and complaints about the conduct of registrants received from all sources and taking appropriate action to protect the public interest; and
- Establishing and administering insurance requirements, which include consumer deposit protection.

REGISTRATION

Enforcing the standards required to obtain and maintain registration as a brokerage, broker or salesperson and delivering the duties of the Registrar

RECO's registration services include processing new business and new broker/salesperson registrations, renewals, reinstatements, transfers and terminations, name and category changes, maintaining the registrant database, and delivering the duties of the Registrar.

The Registrar determines eligibility to trade in real estate in Ontario based on the requirements of REBBA 2002 and associated regulations.

The total number of individuals and businesses registered in Ontario grew to 65,910, a 21 per cent increase in total registrants over the past five years.

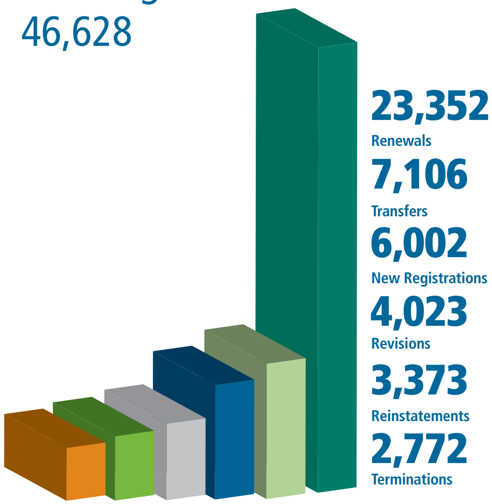
In 2012-2013 there were 6,002 new registrations processed, a 5.7 per cent increase over the previous year.

Registration staff processed a total of 46,628 transactions in 2012-2013 including processing new business and new broker/salesperson registrations, renewals, reinstatements, transfers, terminations, and revisions (name, category and address changes).

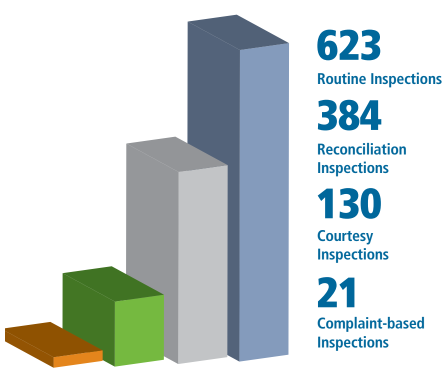
The online registration renewal service continues to be tremendously successful with more than half of all registrants completing their renewals online. The online transfer and termination service launched in late April 2012 is gaining momentum with 36 per cent of transfers and 45 per cent of terminations being completed online.

REGISTRATION TRANSACTION by type

Total registration transactions: 46,628



RECO CONDUCTED 1,158 INSPECTIONS in 2012-2013



EDUCATION

Establishing minimum requirements for pre-registration, articling, broker, and continuing education and promoting ongoing education and competent, knowledgeable and professional service

Prior to applying for registration in Ontario, applicants are required to successfully complete three pre-registration courses. The three courses, administered by the Ontario Real Estate Association on behalf of the Registrar, must be completed within 18 months of starting the first course. Registration education ensures that all new salespersons have fundamental knowledge about Ontario's real estate industry and REBBA 2002.

RECO's continuing education program ensures that real estate brokers and salespersons maintain the skills and knowledge necessary to serve their clients and customers.

Currently, all registrants must complete 24 credits of continuing education in each two-year registration cycle, including the mandatory six credit RECO Real Estate Update. The remaining courses may be selected from a wide range of approved subject areas allowing registrants to tailor their education to areas of special interest.

After a comprehensive review of educational programming, RECO will launch a new mandatory continuing education program on August 1, 2013. Under the new program, RECO will directly administer the Update Course, along with electives, through an online platform. The content will focus on consumer protection, regulatory matters and current industry issues.

In 2012-2013, the Registrar approved five new continuing education providers and 24 new courses.

BROKERAGE INSPECTIONS

Conducting routine inspections of brokerage offices to ensure compliance with REBBA 2002 and educate brokers

The inspections program plays a vital role in ensuring that the requirements of REBBA 2002 are met, increasing the level of protection RECO is able to provide to consumers and registrants.

RECO's inspections program enables one-on-one contact between RECO inspectors and brokers of record and provides opportunities to educate those brokers about maintaining current and accurate records. RECO inspectors periodically visit established brokerages to ensure compliance with REBBA 2002 and associated regulations, or schedule courtesy inspections with new brokerages to help them ensure that their businesses are in compliance with regulatory requirements right from the start. While most inspections are randomly conducted, they may also be generated by a complaint.

Inspectors are trained to provide accurate information and to answer registrant questions. During brokerage inspection visits, inspectors examine records such as trust account records, trade contracts and trade record sheets.

COMPLAINTS

Addressing inquiries, concerns and complaints about the conduct of registrants received from all sources and taking appropriate action to protect the public interest

Registrants are required to conduct themselves and their businesses according to the requirements of REBBA 2002 and its regulations. These requirements protect consumers in real estate transactions and help ensure public confidence in Ontario's real estate industry.

Most complaints received by RECO do not involve serious or malicious misconduct; many are a result of ethical failings or exercising poor judgment. These fall under the Code of Ethics contained in REBBA 2002. The Registrar determines what actions, if any, are appropriate, depending on the facts identified during the processing of the complaint.

POTENTIAL ACTIONS:

- The Registrar may issue a written warning indicating that if the conduct that led to the complaint continues, further action may be taken.
- The Registrar may require a registrant to take further educational courses.
- Matters involving alleged breaches of the Code of Ethics may be referred to a hearing in front of the Discipline Committee.
- The Registrar may attempt to mediate or resolve the complaint.
- The Registrar, with the registrant's consent, may apply voluntary conditions to a registration.
- The Registrar has the power to order an immediate temporary suspension of a registration where he or she believes it is in the public interest.
- Offences related to REBBA 2002 and its regulations (other than the Code of Ethics) can result in charges laid under the *Provincial Offences Act* (POA).
- The Registrar may issue a Notice of Proposal to revoke, suspend, refuse to renew, or apply conditions to a registration if a registrant is in contravention of REBBA 2002 and its regulations.

During the fiscal year, 1,398 complaint files were opened and 1,197 complaint files were processed. These figures are not necessarily related to one another as some of the files processed during the fiscal year may have been opened during the fiscal year or in a previous year. Of the opened complaint files, 67 per cent originated with a consumer complaint, 27 per cent originated with a registrant complaint, and the remaining six per cent were opened for other reasons.

The chart below shows a further breakdown of processed complaints.

Compliance staff speak with registrants and consumers about ethical issues or potential complaints on a daily basis. During the 2012-2013 fiscal year, compliance staff responded to 18,709 inquiries including 11,239 phone calls, 7,249 emails and 221 written inquiries. This represents an increase of 30 per cent in the number of inquiries responded to over the previous year.

TOTAL COMPLAINTS CLOSED: 1,197

51%	616	No Action/ Dismissed
27%	320	Written Warning
11%	126	Written Warning & Course
5%	58	Referred to Legal, Registration or Investigations
4%	43	Written Warning & Requirement
3%	32	Complaint Withdrawn
.002%	2	Written Warning, Course & Requirement

COMPLAINT TRENDS

Monitoring complaint trends allows RECO to focus resources on educating registrants about areas of specific concern.

During the 2012-2013 fiscal year, **THE MOST COMMON COMPLAINTS** related to:

13%	Advertising
12%	Disclosure
12%	Conscientious and Competent Service
10%	Misrepresentation
6%	Duty to Ensure Compliance

ADMINISTRATIVE REGULATORY ACTIONS

In 2012-2013, the Registrar took administrative regulatory action, such as imposing conditions on registration or issuing a reprimand in 635 cases.

REGISTRAR'S PROPOSALS

The Registrar's authority to issue a proposal to refuse, revoke or refuse to renew registration is a critical component of RECO's enforcement activities. It is the most severe action RECO takes and is reserved for the most serious circumstances.

The Registrar has the authority to issue a proposal where the applicant cannot reasonably be expected to conduct business in a financially responsible way, or where past conduct gives reasonable grounds for the Registrar to believe that the applicant will not conduct business with integrity, honesty, and in accordance with law.

A registrant who has received a proposal has 15 days, from the date the proposal is served, to file a notice of appeal to the Licence Appeal Tribunal (LAT).

In 2012-2013, the Registrar issued proposals to refuse or revoke 18 registrations compared with 31 the year before. Additionally, 30 proposals to revoke registration were issued due to non-payment of insurance.

A listing of refused and revoked registrations can be found in the Summary of Enforcement Activities on page 22.

INVESTIGATIONS

RECO investigates alleged violations of REBBA 2002 and associated regulations.

RECO opened 126 investigations in 2012-2013, while 97 investigations were closed. RECO's investigative work led to 205 individual charges and 40 prosecutions in the Ontario Court of Justice.

These prosecutions resulted in 38 convictions and the total amount of fines imposed was $492,000. Additionally, the courts imposed a total of $423,900 in restitution payments to be made and ordered a total of 72 months of probation sentenced.

The POA governs how charges are processed and prosecuted in the Ontario courts. The POA is a procedural law for administering and prosecuting provincial offences, including violations of REBBA 2002.

Individuals found guilty of offences are subject to fines up to $50,000 or a potential prison term of two years, or both. Corporations found guilty of offences are subject to fines up to $250,000. Courts also have the power to order convicted persons to pay compensation and make restitution.

A listing of convictions under REBBA 2002 can be found in the Summary of Enforcement Activities on page 24.

INVESTIGATIONS RELATED TO MORTGAGE FRAUD

Mortgage fraud is an issue that continues to receive considerable attention in the media.

RECO addresses mortgage fraud through:

- Education;
- Collaboration with organizations concerned about mortgage fraud;
- Investigative activities to ensure compliance; and
- Legal/statutory activities to impose disciplinary action on registrants proven to have participated in mortgage fraud.

During the year, RECO opened 35 investigations and closed 27 investigations related to allegations of mortgage fraud.

RECO's position is that any registrant or applicant proven to have knowingly participated in mortgage fraud faces losing their registration or having registration refused. It should be noted that some registrants alleged to have participated in mortgage fraud voluntarily terminate their registration.

RECO's insurance program was introduced on September 1, 2000 to provide protection to both consumers and registrants. All registrants are required to participate in RECO's insurance program, which consists of three insurance coverages:

- Consumer deposit insurance protects consumers for loss of deposits caused by fraud, misappropriation of funds or insolvency by a registrant;
- Errors and omissions coverage provides protection for registrants in the event that errors and omissions committed in the course of their professional services lead to claims made against them; and
- Commission protection coverage protects registrants from loss of commission caused by fraud, misappropriation of funds or insolvency of a brokerage.

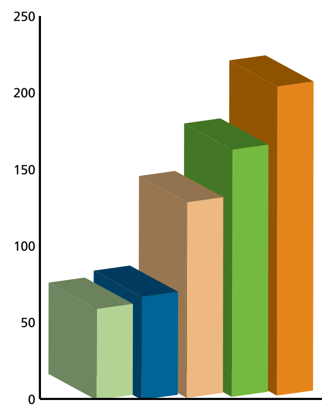
PROTECTION FOR REGISTRANTS – PROTECTION FOR CONSUMERS

RECO's insurance program benefits both registrants and consumers, by offering broad protection at a competitive price. The program is unique in offering consumer deposit and commission protection; these insurance coverages are not offered in other Canadian jurisdictions.

Claims by Value of Transaction

$0-$150,000	2,704
$150,000-$250,000	1,910
$250,000-$500,000	2,766
$500,000-$1,000,000	1,363
$1,000,000 and up	731

Top 5 Causes of Loss - Rural



Structural	62
Foundations	70
Septic/Environmental	133
Well/Water	168
Miscommunication/Non Disclosure	210

Top 5 Causes of Loss - Urban

Financial/Mortgage	486
Structural	520
Foundations	707
Incomplete Sale	737
Miscommunication/Non Disclosure	1,470

Statistics based on years 2000-2013 unless otherwise specified

KEY HIGHLIGHTS OF THE ERRORS & OMISSIONS POLICY

Statistics based on 2000-2013 unless otherwise specified

The majority of claims fall under the Errors and Omissions insurance coverage.

- A total of 9,474 claims have been reported - of which 1,340 remain open. The program has closed a total of 8,134 claims to date.
- Residential claims outnumber commercial claims by a margin of 5:1.
- The number of claims involving transactions which exceed $250,000 in value comprise approximately 51 per cent of all claims reported.
- In 2012, there was an increase in the number of errors and omissions claims reported, 1,015 claims, as compared to 917 in 2011.

Statistics based on years 2000-2013 unless otherwise specified

LOSS PREVENTION INITIATIVES

The program's insurer continues to sponsor a loss prevention seminar for local real estate boards and associations. In collaboration with RECO, the insurer has also introduced an online loss prevention course that is available to all registrants free of charge.

CLAIMS STATISTICS AND TRENDS

Consumer Deposit Insurance Policy

From inception of the Program on September 1, 2000 to February 28, 2013, there have been 50 occurrences under the consumer deposit coverage. Payment of claims (settlements and expenses) under this coverage is estimated to reach $3,741,608.

Commission Protection Insurance Policy

From inception of the Program on September 1, 2000 to February 28, 2013, there have been 103 occurrences under the commission protection coverage. Payment of claims (settlements and expenses) under this coverage is estimated to reach $4,094,926.

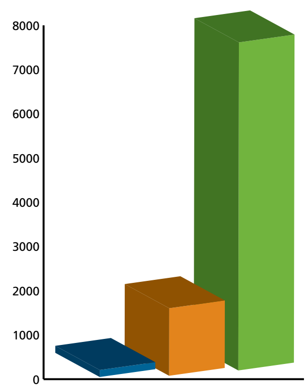
Errors and Omissions Insurance Policy

From inception of the Program on September 1, 2000 to February 28, 2013, there have been 9,474 claims reported. The total cost of claims settlements and expenses under this coverage is estimated to reach $82,213,342*.

* this figure does not include any provision for the insurer's internal administrative expenses.

RECO's Insurance Program is placed with Lloyd's through insurance broker Alternative Risk Services and is independently and professionally managed by Dion, Durrell + Associates Inc.

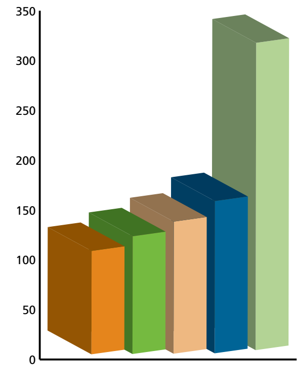
Claims by Transaction Type Commercial vs. Residential



Other	165
Commercial*	1,589
Residential	7,720

* includes Vacant (335) and Agricultural (67)

Top 5 Causes of Loss - Commercial



Leasing/Income	108
Deposit	123
Tax (incl HST/GST)	138
Incomplete Sale	159
Miscommunication/Non Disclosure	321

Top 5 Causes of Loss - Residential

Septic/Environmental	522
Structural	561
Incomplete Sale	615
Foundations	768
Miscommunication/Non Disclosure	1,358

REGULATORY ACTIVITY

April 1, 2012 to March 31, 2013

Under the *Real Estate and Business Brokers Act, 2002* (REBBA 2002), the Registrar is required to make certain information available to the public. The information required to be made publicly available includes notices of proposals, convictions, and charges as well as decisions of the Discipline and Appeals Committees.

RECO's public notice policy, which outlines the distribution of this information, can be found at www.reco.on.ca.

DISCIPLINE AND APPEALS HEARINGS

RECO's Discipline and Appeals Committees are statutory tribunals subject to the *Statutory Powers Procedures Act*. Complaints involving alleged breaches of the Code of Ethics may be referred to the Discipline Committee for a hearing. If possible, a matter referred to the Discipline Committee will be resolved in a pre-hearing through an agreed statement of facts and penalty. The pre-hearing serves as a form of alternative dispute resolution where RECO and the respondent agree on the details of the allegations as well as the appropriate penalty, before presenting the agreed statement to the Discipline Committee.

If a matter has not, or cannot be resolved in a pre-hearing, it will proceed to a hearing. The Chair of the Discipline Committee generally assigns a panel consisting of three members of the Committee to hold the hearing. Following the hearing, the discipline panel prepares a final decision including reasons. If the panel makes a determination that a registrant has failed to comply with the Code of Ethics, it may order the registrant to take educational courses, pay a fine of up to $25,000, and/or impose costs (incurred from the discipline proceedings).

Discipline and Appeals panel decisions are public information and are always accessible to the public. A full list of decisions is posted in the Complaints & Enforcement section of RECO's website at www.reco.on.ca.

REGISTRAR'S PROPOSALS

The Registrar has the authority to refuse, refuse to renew, revoke, suspend or apply conditions to registration. In such situations, the Registrar prepares a Proposal and notifies the applicant or registrant of that Proposal together with reasons for the Registrar taking such action. A registrant who has received a Proposal has 15 days from the date the Proposal is served to file a notice of appeal to the Licence Appeal Tribunal (LAT). If no appeal is received by LAT, the Registrar may carry out the Proposal.

MONSTER REALTY CORPORATION O/A BREKLAND REALTY GROUP

Mississauga, ON
24 April, 2012

On February 1, 2012 the Registrar issued a Notice of Proposal to revoke the registration of Monster Realty Corporation. Monster Realty Corporation did not request a hearing before the Licence Appeal Tribunal. On April 24, 2012, the Registrar carried out his Proposal to revoke the registration of Monster Realty Corporation o/a Brekland Realty Group. A public advisory was issued on RECO's website to inform registrants and the public of the situation.

Information was also provided to consumers via the news media. Brekland employees were kept up-to-date through e-blasts and a town hall meeting.

ANTON JEEVA ARULAPPU

Toronto, ON
7 May, 2012

On August 11, 2010 the Licence Appeal Tribunal directed the Registrar to carry out the proposal issued on September 30, 2009, to revoke Mr. Arulappu's registration. Mr. Arulappu appealed the decision of the Licence Appeal Tribunal to the Divisional Court and on February 2, 2011, the Divisional Court directed the matter back to the Licence Appeal Tribunal for a re-hearing on the proposal. A re-hearing was held and on May 7, 2012, the Licence Appeal Tribunal ordered the Registrar to suspend Mr. Arulappu's registration for ninety (90) days and attach conditions to his registration.

ASHOK KUMAR GERA

Toronto, ON
28 May, 2012

On June 7, 2010, the Registrar issued a Notice of Proposal to revoke the registration of Ashok Kumar Gera. Mr. Gera requested a hearing before the Licence Appeal Tribunal. After a hearing, the Licence Appeal Tribunal ordered the Registrar to revoke Mr. Gera's registration. Mr. Gera appealed the Licence Appeal Tribunal's decision to the Divisional Court. On May 28, 2012, the Divisional Court dismissed Mr. Gera's appeal with costs.

BLAIR BUGGE

Peterborough, ON
20 June, 2012

On May 29, 2012 the Registrar issued a Notice of Proposal to revoke the registration of Blair Bugge. Mr. Bugge did not request a hearing before the Licence Appeal Tribunal. On June 20, 2012, the Registrar carried out his Proposal to revoke the registration of Blair Bugge.

THU THI TRAN

London, ON
20 September, 2012

On June 15, 2012, the Registrar issued a Notice of Proposal to revoke the registration of Thu Thi Tran. Ms. Tran did not request a hearing before the Licence Appeal Tribunal. On September 20, 2012, the Registrar carried out his Proposal to revoke the registration of Thu Thi Tran.

IVON PAPINEAU

Niagara-on-the-Lake, ON
24 September, 2012

On September 5, 2012, the Registrar issued a Notice of Proposal to revoke the registration of Ivon Papineau as a brokerage for non-payment of insurance. Ivon Papineau did not request a hearing before the Licence Appeal Tribunal. On September 24, 2012, the Registrar carried out his Proposal to revoke the registration of Ivon Papineau.

TRAVEN A. MATCHETT

Niagara-on-the-Lake, ON
24 September, 2012

On September 5, 2012, the Registrar issued a Notice of Proposal to revoke the registration of Traven A. Matchett as a brokerage for non-payment of insurance. Traven A. Matchett did not request a hearing before the Licence Appeal Tribunal. On September 24, 2012, the Registrar carried out his Proposal to revoke the registration of Traven A. Matchett.

NAVTAJ BANWAIT

Mississauga, ON
24 September, 2012

On September 5, 2012, the Registrar issued a Notice of Proposal to revoke the registration of Navtaj Banwait as a brokerage for non-payment of insurance. Navtaj Banwait did not request a hearing before the Licence Appeal Tribunal. On September 24, 2012, the Registrar carried out his Proposal to revoke the registration of Navtaj Banwait.

MICHAEL ROSS KENNEDY

Oakville, ON
24 September, 2012

On September 5, 2012, the Registrar issued a Notice of Proposal to revoke the registration of Michael Ross Kennedy as a brokerage for non-payment of insurance. Michael Ross Kennedy did not request a hearing before the Licence Appeal Tribunal. On September 24, 2012, the Registrar carried out his Proposal to revoke the registration of Michael Ross Kennedy.

SILVIO CASELLI

Hamilton, ON
24 September, 2012

On September 5, 2012, the Registrar issued a Notice of Proposal to revoke the registration of Silvio Caselli as a brokerage for non-payment of insurance. Silvio Caselli did not request a hearing before the Licence Appeal Tribunal. On September 24, 2012, the Registrar carried out his Proposal to revoke the registration of Silvio Caselli.

JOSEPH FRED TONNOS

St. Catherines, ON
24 September, 2012

On September 5, 2012, the Registrar issued a Notice of Proposal to revoke the registration of Joseph Fred Tonnos as a brokerage for non-payment of insurance. Joseph Fred Tonnos did not request a hearing before the Licence Appeal Tribunal. On September 24, 2012, the Registrar carried out his Proposal to revoke the registration of Joseph Fred Tonnos.

RICHARD F. TYAS
Windsor, ON
24 September, 2012
On September 5, 2012, the Registrar issued a Notice of Proposal to revoke the registration of Richard F. Tyas as a brokerage for non-payment of insurance. Richard F. Tyas did not request a hearing before the Licence Appeal Tribunal. On September 24, 2012, the Registrar carried out his Proposal to revoke the registration of Richard F. Tyas.

MARTYN THORBURN
Waterloo, ON
24 September, 2012
On September 5, 2012, the Registrar issued a Notice of Proposal to revoke the registration of Martyn Thorburn as a brokerage for non-payment of insurance. Martyn Thorburn did not request a hearing before the Licence Appeal Tribunal. On September 24, 2012, the Registrar carried out his Proposal to revoke the registration of Martyn Thorburn.

VERONICA M.C. LAM O/A VERONICA LAM
Toronto, ON
24 September, 2012
On September 5, 2012 the Registrar issued a Notice of Proposal to revoke the registration of Veronica Lam as a brokerage for non-payment of insurance. Veronica Lam did not request a hearing before the Licence Appeal Tribunal. On September 24, 2012, the Registrar carried out his Proposal to revoke the registration of Veronica Lam.

PETER VULETIC
Stoney Creek, ON
24 September, 2012
On September 5, 2012, the Registrar issued a Notice of Proposal to revoke the registration of Peter Vuletic as a brokerage for non-payment of insurance. Peter Vuletic did not request a hearing before the Licence Appeal Tribunal. On September 24, 2012, the Registrar carried out his Proposal to revoke the registration of Peter Vuletic.

TAJ REALTY CORPORATION
Markham, ON
24 September, 2012
On September 6, 2012, the Registrar issued a Notice of Proposal to revoke the registration of Taj Realty Corporation as a brokerage for non-payment of insurance. Taj Realty Corporation did not request a hearing before the Licence Appeal Tribunal. On September 24, 2012, the Registrar carried out his Proposal to revoke the registration of Taj Realty Corporation.

GRAHAM ROBINSON REAL ESTATE SERVICES LTD
Ancaster, ON
24 September, 2012
On September 6, 2012, the Registrar issued a Notice of Proposal to revoke the registration of Graham Robinson Real Estate Services Ltd as a brokerage for non-payment of insurance. Graham Robinson Real Estate Services Ltd did not request a hearing before the Licence Appeal Tribunal. On September 24, 2012, the Registrar carried out his Proposal to revoke the registration of Graham Robinson Real Estate Services Ltd.

BRUCE FOSTER LIMITED
Toronto, ON
24 September, 2012
On September 6, 2012, the Registrar issued a Notice of Proposal to revoke the registration of Bruce Foster Limited as a brokerage for non-payment of insurance. Bruce Foster Limited did not request a hearing before the Licence Appeal Tribunal. On September 24, 2012, the Registrar carried out his Proposal to revoke the registration of Bruce Foster Limited.

PREMIER ONE REALTY LTD
Ottawa, ON
24 September, 2012
On September 6, 2012, the Registrar issued a Notice of Proposal to revoke the registration of Premier One Realty Ltd as a brokerage for non-payment of insurance. Premier One Realty Ltd did not request a hearing before the Licence Appeal Tribunal. On September 24, 2012, the Registrar carried out his Proposal to revoke the registration of Premier One Realty Ltd.

BERMAN REALTY CORP
Ottawa, ON
24 September, 2012
On September 6, 2012, the Registrar issued a Notice of Proposal to revoke the registration of Berman Realty Corp as a brokerage for non-payment of insurance. Berman Realty Corp did not request a hearing before the Licence Appeal Tribunal. On September 24, 2012, the Registrar carried out his Proposal to revoke the registration of Berman Realty Corp.

HOMETOWN REALTY LTD.
Campbellford, ON
24 September, 2012
On September 6, 2012, the Registrar issued a Notice of Proposal to revoke the registration of Hometown Realty Ltd as a brokerage for non-payment of insurance. Hometown Realty Ltd did not request a hearing before the Licence Appeal Tribunal. On September 24, 2012, the Registrar carried out his Proposal to revoke the registration of Hometown Realty Ltd.

STREETSVILLE REALTY INC.
Campbellford, ON
24 September, 2012
On September 6, 2012, the Registrar issued a Notice of Proposal to revoke the registration of Streetsville Realty Inc. as a brokerage for non-payment of insurance. Streetsville Realty Inc. did not request a hearing before the Licence Appeal Tribunal. On September 24, 2012, the Registrar carried out his Proposal to revoke the registration of Streetsville Realty Inc.

REALTY 1 REAL ESTATE INC.
Cambridge, ON
24 September, 2012
On September 6, 2012, the Registrar issued a Notice of Proposal to revoke the registration of Realty 1 Real Estate Inc. as a brokerage for non-payment of insurance. Realty 1 Real Estate Inc. did not request a hearing before the Licence Appeal Tribunal. On September 24, 2012, the Registrar carried out his Proposal to revoke the registration of Realty 1 Real Estate Inc.

REALTYMART TRADITION INC.
Oshawa, ON
24 September, 2012
On September 6, 2012, the Registrar issued a Notice of Proposal to revoke the registration of Realtymart Tradition Inc as a brokerage for non-payment of insurance. Realtymart Tradition Inc did not request a hearing before the Licence Appeal Tribunal. On September 24, 2012, the Registrar carried out his Proposal to revoke the registration of Realtymart Tradition Inc.

GREGORY ROBERT HENKEL
London, ON
9 October, 2012
On September 12, 2012, the Registrar issued a Notice of Proposal to revoke the registration of Gregory Robert Henkel as a brokerage for non-payment of insurance. Gregory Robert Henkel did not request a hearing before the Licence Appeal Tribunal. On October 9, 2012, the Registrar carried out his Proposal to revoke the registration of Gregory Robert Henkel.

JEFFREY ADAM PAUL O/A JEFFREY PAUL
London, ON
11 October, 2012
On September 20, 2012, the Registrar issued a Notice of Proposal to revoke the registration of Jeffrey Adam Paul. Mr. Paul did not request a hearing before the Licence Appeal Tribunal. On October 11, 2012, the Registrar carried out his Proposal to revoke the registration of Jeffrey Adam Paul o/a Jeffrey Paul.

ROBERT WIAFE-ABABIO
Toronto, ON
18 October, 2012
On June 15, 2010, the Registrar issued a Notice of Proposal to revoke the registration of Robert Wiafe-Ababio. Mr. Wiafe-Ababio requested a hearing in front of the Licence Appeal Tribunal. After a hearing, the Licence Appeal Tribunal ordered the Registrar to revoke Mr. Wiafe-Ababio's registration. Mr. Wiafe-Ababio appealed the revocation to the Divisional Court. Mr. Wiafe-Ababio also requested a stay motion hearing before the Licence Appeal Tribunal and was successful. Mr. Wiafe-Ababio was granted a stay on June 16, 2011; and the Licence Appeal Tribunal attached conditions to Mr. Wiafe-Ababio's registration, pending the appeal. The appeal was settled and Mr. Wiafe-Ababio was 1) suspended for three (3) months, 2) placed on conditions, and 3) paid costs of the appeal.

PERVEZ EBRAHIM TAGARI KNOWN AS PERVEZ TAGARI
Toronto, ON
8 November, 2012
On March 12, 2010, the Registrar issued a Notice of Proposal to revoke the registration of Pervez Ebrahim Tagari. Mr. Tagari requested a hearing in front of the Licence Appeal Tribunal. After a hearing, the Licence Appeal Tribunal ordered the Registrar to revoke the registration of Mr. Tagari, which was carried out on July 25, 2011. Mr. Tagari appealed that decision to the Divisional Court. This matter is currently under appeal at the Divisional Court.

NEELAM BHALLA
Toronto, ON
13 November, 2012
On January 27, 2012 the Registrar issued a Notice of Proposal to revoke the registration of Neelam Bhalla. On November 13, 2012, the Licence Appeal Tribunal ordered the proceedings concluded and disposed of without a hearing on the basis of the following terms: (1) Ms. Bhalla withdrew her appeal; (2) Ms. Bhalla conceded the allegations in the Notice of Proposal issued on January 27, 2012; and (3) Ms. Bhalla consented to a suspension of her registration for a period of nine (9) months commencing December 22, 2012.

GORDON SIMPSON
Brampton, ON
4 January, 2013
On August 19, 2010, the Registrar issued a Notice of Proposal to revoke the registration of Gordon Simpson. Mr. Simpson requested a hearing in front of the Licence Appeal Tribunal. After a hearing, the Licence Appeal Tribunal ordered the Registrar to revoke Mr. Simpson's registration. Mr. Simpson appealed and brought a judicial review, of the Licence Appeal Tribunal's decision, to the Divisional Court. On December 28, 2012, the Divisional Court dismissed Mr. Simpson's application for judicial review with costs. On January 4, 2013, the Divisional Court dismissed Mr. Simpson's appeal with costs.

1567913 ONTARIO LTD. O/A DIVERSIFIED DEVELOPMENT REALTY
Brampton, ON
4 January, 2013
On August 19, 2010, the Registrar issued a Notice of Proposal to revoke the registration of 1567913 Ontario Ltd. operating as Diversified Development Realty. Mr. Simpson, on behalf of Diversified Development Realty, requested a hearing in front of the Licence Appeal Tribunal. After a hearing, the Licence Appeal Tribunal ordered the Registrar to revoke Diversified Development Realty's registration. Mr. Simpson appealed and brought a judicial review, of the Licence Appeal Tribunal's decision, to the Divisional Court. On December 28, 2012, the Divisional Court dismissed Diversified Development Realty's application for judicial review with costs. On January 4, 2013, the Divisional Court dismissed Diversified Development Realty's appeal with costs.

MUNIR ILYAD AHMAD
Thornhill, ON
24 January, 2013
On November 29, 2011, the Registrar issued a Notice of Proposal to revoke the registration of Munir Ilyad Ahmad. Mr. Ahmad requested a hearing before the Licence Appeal Tribunal. On January 22, 2013, the Licence Appeal Tribunal ordered the proceedings concluded and disposed of without a hearing on the basis that Mr. Ahmad withdrew his appeal. On January 24, 2013, the Registrar carried out his Proposal to revoke the registration of Munir Ilyad Ahmad.

GRAYDON HILL REALTY LTD.
Toronto, ON
11 February, 2013
On January 21, 2013, the Registrar issued a Notice of Proposal to revoke the registration of Graydon Hill Realty Ltd. Graydon Hill Realty Ltd. did not request a hearing before the Licence Appeal Tribunal. On February 11, 2013, the Registrar carried out his Proposal to revoke the registration of Graydon Hill Realty Ltd. A public advisory was issued on RECO's website to inform registrants and the public of the situation. Information was also provided to consumers via the news media. Graydon Hill employees were kept up-to-date through e-blasts and letters.

DAVID ALLEN
Toronto, ON
11 February, 2013
On January 21, 2013, the Registrar issued a Notice of Proposal to revoke the registration of David Allen. Mr. Allen did not request a hearing before the Licence Appeal Tribunal. On February 11, 2013, the Registrar carried out his Proposal to revoke the registration of David Allen.

CONVICTIONS

The Ontario *Provincial Offences Act* (POA) governs how charges are processed and prosecuted in Ontario courts. The POA applies to all Ontario statutes and regulations, including REBBA 2002. Individuals found guilty of offences under REBBA 2002 are subject to fines up to $50,000 and a potential prison term of up to two years. Corporations found guilty of offences are subject to fines up to $250,000. Courts have the power to order convicted persons to pay compensation and make restitution. Individuals may also be subject to a victim fine surcharge, in addition to the specified fine, pursuant to section 60.1 of the POA.

The surcharge is collected by the court and goes into the province's Victim Justice Fund account. For more information, please visit www.ontariocourts.on.ca.

PAUL JAY SZOSTAK

Ancaster, ON

On April 10, 2012, Paul Jay Szostak was convicted on one (1) count of failing to ensure the brokerage complied with the Act. Paul Szostak was fined $6,000.

RED CARPET STAK REALTY INC.

Ancaster, ON

On April 10, 2012, Paul Jay Szostak, on behalf of Red Carpet Stak Realty Inc., pled guilty to one (1) count of failing to deposit trust funds, one (1) count of failing to disburse money only in accordance with the terms of the trust, and one (1) count of failing to comply with any section of the Act or the regulations made under the Act. Red Carpet Stak Realty Inc. was fined $4,000 per count for a total fine of $12,000.

SNOVER DHILLON

Toronto, ON

On April 16, 2012, Snover Dhillon pled guilty to one (1) count of performing the functions of a brokerage while not registered as a brokerage and was fined $7,000. Mr. Dhillon was also previously criminally convicted arising from related circumstances and served 41 days incarceration, 36 months on probation and fined $14,000.

MAXVISION REALTY INC.

Toronto, ON

On April 16, 2012, Kwang-Oh Hwang, on behalf of Maxvision Realty Inc., pled guilty to one (1) count, for failure to deposit trust monies into the real estate trust account. On May 14, 2012, Maxvision Realty Inc. was sentenced and fined $4,000.

KWANG-OH HWANG KNOWN AS MICHAEL HWANG

Toronto, ON

On April 16, 2012, Kwang-Oh Hwang, pled guilty to one (1) count of falsifying information and one (1) count of failure to ensure that the brokerage, Maxvision Realty Inc., complied with the Act. On May 14, 2012, Kwang-Oh Hwang was sentenced and fined $5,000 per count for a total of $10,000.

DAVID BEN BLACK

Unionville, ON

On June 22, 2012, David Black pled guilty to four (4) counts of failing to ensure that his brokerage, Monopoly Commercial Realty Inc., complied with the Act. Mr. Black was fined $8,000 per count for a total of $32,000.

MONOPOLY COMMERCIAL REALTY INC.

Unionville, ON

On June 22, 2012, David Black, on behalf of Monopoly Commercial Realty Inc., pled guilty to four (4) counts of failing to disburse trust moneys in accordance with the terms of the trust. Monopoly Commercial Realty Inc. was fined $8,000 per count for a total of $32,000.

TIFFANY LEE

Richmond Hill, ON

On February 3, 2012, Tiffany Lee, pled guilty to one (1) count of trading in real estate in a name other than the name under which she was registered and one (1) count of furnishing false information in relation to a trade in real estate. On June 27, 2012, Ms. Lee was fined $5,000 per count for a total of $10,000.

BLAIR BUGGE

Peterborough, ON

On July 16, 2012, Blair Bugge pled guilty to two (2) counts of furnishing false information in an application for registration, one (1) count of failure to notify the Registrar of changes in information previously provided in an application for registration, and one (1) count of failure to inform a prospective employer about the results of a discipline hearing against him. Mr. Bugge was fined $15,000 in total.

DOMENIC MANICAPELLI

Toronto, ON

On September 17, 2012, Domenic Manicapelli pled guilty to seven (7) counts of furnishing false information on an application. Mr. Manicapelli was fined $5,000 on four (4) counts for a total $20,000 and a suspended sentence on three (3) counts.

MATTHEW LAWRENCE CAPPUCCITTI KNOWN AS MATT CAPPUCCITTI

Mississauga, ON

On October 2, 2012, Matthew Cappuccitti, pled guilty to one (1) count of failing to prepare a trust account reconciliation statement and one (1) count of failing to authorize a transaction involving money that came into the brokerage's hands in trust for another person. Matthew Cappuccitti was fined $16,250 per count for a total of $32,500.

JOHN A.J. ALLISON KNOWN AS JOHN A. ALLISON

Morrisburg, ON

On October 9, 2012, John A. Allison, pled guilty to one (1) count of holding himself out as being a brokerage. John A. Allison was fined $9,000.

SEAWAY REALTY INC. O/A EXIT REALTY SEAWAY

Cornwall, ON

On October 9, 2012, Judi Auger, on behalf of Exit Realty Seaway, pled guilty to three (3) counts of employing an unregistered person to perform a function for which registration was required. Exit Realty Seaway was fined $4,000 per count for a total of $12,000.

HENRIETTA F. DUVALL

Cornwall, ON

On October 9, 2012, Henrietta F. Duvall, pled guilty to three (3) counts of being an officer/director of a brokerage and failing to take reasonable care to prevent the brokerage from committing an offence. Henrietta Duvall was fined $4,000 per count for a total of $12,000.

MONIQUE G. DRAKE KNOWN AS MONIQUE DRAKE

Ottawa, ON

On October 9, 2012, Monique Drake, pled guilty to one (1) count of accepting commission from a person other than the employing brokerage. Monique Drake was fined $1,000.

MARY TERESA MACDONELL

Ottawa, ON

On October 9, 2012, Mary Teresa MacDonell, pled guilty to one (1) count of trading while unregistered. Mary Teresa MacDonell was fined $5,000.

JUDITH A. AUGER KNOWN AS JUDI AUGER

Cornwall, ON

On October 9, 2012, Judi Auger, pled guilty to three (3) counts of being a broker of record and failing to ensure the brokerage complied with the Act and the regulations. Judi Auger was fined $4,000 per count for a total of $12,000.

MICHEL P. AUGER KNOWN AS MIKE AUGER

Cornwall, ON

On October 9, 2012, Mike Auger, pled guilty to three (3) counts of trading while unregistered. Mike Auger was fined $5,000 per count for a total of $15,000.

MICHAEL SMITH

Cornwall, ON

On November 1, 2012, 50 year old Michael Smith of Oshawa, Ontario pled guilty to two (2) counts of furnishing false information on an application for registration, and one (1) count of failing to disclose a conviction to a prospective employer. Michael Smith was fined $1,500 and placed on probation for two years.

MARNIE A. BENNETT

Ottawa, ON

On November 2, 2012, Marnie A. Bennett, pled guilty to six (6) counts of obstructing an inspector. Ms. Bennett was fined $27,500 per count for a total of $165,000.

JEFFREY ADAM PAUL KNOW AS JEFFREY PAUL

London, ON

On November 5, 2012, 28 year old Jeffrey Paul, who had operated a sole proprietorship brokerage in his own name until his registration was revoked on October 11, 2012, pled guilty to one (1) count of failure to notify the Registrar in writing within five days of a change to information, that he previously provided on an application for registration. Mr. Paul was fined $5,000.

SADIE MORANIS REALTY CORPORATION O/A SUTTON - SADIE MORANIS REALTY

Toronto, ON

On May 7, 2012 Sadie Moranis Realty pled guilty to one (1) count of failing to deposit trust money in accordance with the terms of the trust. On November 16, 2012, Sadie Moranis Realty was fined by the Court $8,000 and placed on probation for two years.

HELENE KATZ

Toronto, ON

On May 7, 2012, Helene Katz pled guilty to one (1) count of failing to ensure, as broker of record, that the brokerage Sadie Moranis Realty Corporation complied with the *Real Estate and Business Brokers Act, 2002*. On November 16, 2012, Helene Katz was fined by the Court $4,000 and placed on probation for two years.

SELVAN KASIPILLAI

Mississauga, ON

On November 19, 2012, Selvan Kasipillai pled guilty to one (1) count of failing to notify the Registrar in writing, within five days of a change to information that he previously provided on an application for registration. Selvan Kasipillai was fined $2,000.

HUI WANG KNOWN AS TONY HUI WANG

Concord, ON

On December 12, 2012, Hui (Tony) Wang pled guilty to four (4) counts of trading in real estate while unregistered. Hui (Tony) Wang was fined $2,500 per count for a total of $10,000. This matter is currently under appeal.

XIANGLING FENG KNOWN AS LYNN FENG

Markham, ON

On December 12, 2012, Xiangling (Lynn) Feng pled guilty to four (4) counts of being a party to the offence of Hui (Tony) Wang trading in real estate while unregistered. Xiangling (Lynn) Feng was fined $2,500 per count for a total of $10,000. This matter is currently under appeal.

ARAM TOKMAK

Thornhill, ON

On January 14, 2013, Aram Tokmak pled guilty to the following charges: one (1) count of accepting commission or other remuneration for trading in real estate from a person other than the brokerage that employed him; one (1) count of failing to deliver a copy of an Agreement dealing with the conveyance of an interest in real estate to his brokerage at the earliest opportunity; and one (1) count of failing to notify the Registrar in writing, within five (5) days of a change to information previously provided on an application of registration. Aram Tokmak was fined $13,500 and ordered to make restitution of $2,900.

CHARLES H. BARKLEY KNOWN AS CHUCK BARKLEY

Brockville, ON

On January 15, 2013, Charles H. Barkley, broker of record of Thom Realty Limited, pled guilty to two (2) counts of failing to ensure that the brokerage complied with the Act. Charles H. Barkley was fined $6,000 per count for a total of $12,000.

THOM REALTY LIMITED

Morrisburg, ON

On January 15, 2013 Charles Barkley, on behalf of Thom Realty Limited, pled guilty to one (1) count of failing to prepare a trust account reconciliation statement and one (1) count of failing to disburse money that came into the brokerage's hands in trust for other persons only in accordance with the terms of the trust. Thom Realty Limited was fined $6,000 per count for a total of $12,000.

CHARN S. GHUMAN

Guelph, ON

On January 21, 2013, Charn S. Ghuman pled guilty to four (4) counts of furnishing false information in an application. Charn S. Ghuman was fined $4,500 per count for a total of $18,000.

YUEN HUANG CHIU

Toronto, ON

On January 21, 2013, Yuen Huang Chiu pled guilty to one (1) count of obstructing an inspector conducting an inspection. Yuen Huang Chiu received a suspended sentence.

GOLDEN LAND REALTY INC.

Toronto, ON

On January 21, 2013, Yuen Huang Chiu, on behalf of Golden Land Realty Inc., pled guilty to one (1) count of obstructing an inspector conducting an inspection. Golden Land Realty Inc., was fined $5,000.

OLIVIA SZCZEPOCKI-NATHALE NOT CURRENTLY REGISTERED

Toronto, ON

On March 11, 2013, Olivia Szczepocki-Nathale, pled guilty to one (1) count of performing the functions of a broker or salesperson while not registered as a broker or salesperson under the Act. Ms. Szczepocki-Nathale was fined $1,500.

HOMELIFE PLUS REAL ESTATE LTD. FORMERLY KNOWN AS DREAM HOMES PLUS REAL ESTATE LTD.

Vaughan, ON

On March 15, 2013, Mohammad Reza Ghazvini, on behalf of Homelife Plus Real Estate Ltd., pled guilty to one (1) count of failing to disburse trust funds as soon as practicable, after having received a request for a disbursement in the form of a court order. Homelife Plus Real Estate Ltd. was fined $3,000.

ALI SULIMAN SLEIMAN

Ottawa, ON

On March 18, 2013, Ali Sleiman pled guilty to one (1) count of failing to comply with a written request for information in respect of a complaint filed against him. Mr. Sleiman was placed on one (1) year probation, ordered to pay $421,000 in restitution, and fined $10,000.

DARREL JOSEPH FALCONI

North Bay, ON

On March 18, 2013, Darrel Falconi pled guilty to one (1) count of failing to notify the Registrar, in writing, within five (5) days of a change to information that he previously provided on an application for registration. Mr. Falconi was fined $2,000.

This management discussion and analysis provides supplementary information for stakeholders and other readers of the financial statements of the Real Estate Council of Ontario (RECO). The analysis should be read in conjunction with the audited financial statements for the year ended March 31, 2013 and the comparative figures for the year ended March 31, 2012. Effective April 1, 2012 RECO adopted Canadian accounting standards for not-for-profit organizations (ASNPO).

OVERVIEW

RECO has two reporting categories: General Operations, and the Insurance Program. General operating receipts are derived primarily from registration fees required under the *Real Estate and Business Brokers Act, 2002* (REBBA 2002), which are amortized to income over the two-year period of each registration.

Payments under the education services agreements with the Ontario Real Estate Association represent a significant source of revenues. The advance payment required under the agreement for the provision of the Pre-registration, Articling and Broker Educational Program are being recognized over the term of the agreement whereas payments based on annual enrolments are recognized in the current year. Payments required under the agreement for the provision of the RECO Real Estate Update Course are recognized in the current year.

Other sources of revenue include transfer fees, penalties assessed by disciplinary panels, miscellaneous revenues, and interest, all of which are recognized in the current year.

Insurance Program receipts are required to be held in trust and segregated from the general operating fund. Insurance payments include the premiums, the contribution to the premium stabilization fund, the contribution to the insurance administration fund plus the applicable taxes. Insurance receipts are amortized to income over the period of the insurance policy.

GENERAL OPERATIONS

Revenues

Recognized operating revenues increased by $1,066,121 or 8%. Registration revenues were higher by $1,106,354 due to increases in the number of registrants in fiscal 2012 and 2013. An increase in enrolments resulted in higher education revenues of $109,822. Other income was lower by $150,055 due to lower disciplinary fines of $175,250 offset by increased transfer revenues of $19,400, and other minor changes in other categories.

Expenses

Total expenses increased by $2,978,922, from $11,488,052 in fiscal 2012 to $14,466,974 in fiscal 2013. Operating departments and facilities costs were higher by $1,748,608; Board, committee and working group per diems and meeting costs were lower by $11,701; and other corporate expenses such as communications activities, consulting costs, election costs, the government fee under the Administrative Agreement between the Ministry of Consumer Services and RECO, and amortization were higher by $1,242,015.

During the year, a comprehensive review and assessment of Information Systems operating requirements was undertaken resulting in increased costs for the current year of $596,010; further activity leading to the launch of the new mandatory continuing education initiative added $246,147; increased rent on the larger facilities added $483,284; and increased staffing costs accounts for the remaining year-to-year difference.

During the year, a comprehensive multi-media consumer outreach program was conducted resulting in increased costs in the current year of $737,200. Leasehold improvements and other capital asset additions resulted in increased amortization expense of $325,171. Consulting costs increased by $116,610.

Interest

Interest earned increased by $20,399 from $208,933 in fiscal 2012 to $229,332 in fiscal 2013.

Net Current Assets

Net current assets, which exclude deferred liabilities, were $17,707,278 at March 31, 2013 compared to $16,063,758 at March 31, 2012.

Net Income and Accumulated Fund Balance

As a result of the increased expenses noted above, net income for the year was $756,180 compared to $2,648,582 in fiscal 2012. This income resulted in an accumulated fund balance of $9,192,188 compared to $8,436,008 in fiscal 2012.

INSURANCE PROGRAM

Insurance Premium Fund

Recognized premium revenues increased by $2,314,103 or 13.8% from $16,798,376 in fiscal 2012 to $19,112,479 in fiscal 2013. This resulted from an increase in the number of subscribers to the plan and an increase in the premium. The premiums collected are paid over to the insurer, resulting in an equal amount of recognized premium expense.

Insurance Premium Stabilization Fund

Recognized contributions to the insurance premium stabilization fund decreased by $331,842 or 30.2%. This was as a result of the decrease in the contribution levels from $27.50 in the September 2010 billing to $12.50 in the September 2011 and September 2012 billings offset by the increased number of subscribers. Interest allocated to this fund was $187,851 compared to $159,561 in fiscal 2012. No expenses are charged to this fund.

Insurance Administration Fund

Recognized contributions to the insurance administration fund increased by $317,218 or 53.3% as a result of increase in the number of subscribers and in the contribution level from an effective rate of $3.24 in the September 2010 billing to $15.17 in the September 2011 billing and $14.60 in the September 2012 billing. Interest income allocated to the insurance administration fund increased by $12,809 from $83,961 in fiscal 2012 to $96,770 in fiscal 2013. Miscellaneous income decreased by $11,506 as suspension fees were lower.

Insurance administration expenses increased by $15,954 or 1.5%. Credit card discounts and charges increased by 10% or $45,505 as more subscribers elected this payment option; printing and processing costs increased by $87,911. Legal, audit and consulting were lower by $120,939.

Net Income and Accumulated Fund Balance

Net income for the premium fund for fiscal 2013 was $35 compared to a loss of $305,200 in 2012; net income for the stabilization fund for fiscal 2013 was $955,514 compared to $1,259,066 in fiscal 2012; net income in the insurance administration fund for fiscal 2013 was $82,619 compared to a net loss of $219,948 in 2012. At March 31, 2013, the accumulated fund balances were: $54,383 in the premium fund; $15,032,410 in the premium stabilization fund; and $590,017 in the insurance administration fund.

Net Current Assets

Net current assets, excluding deferred revenues and prepaid premiums, are $16,980,030 at March 31, 2013 compared to $15,807,097 at March 31, 2012.

Management of Capital

RECO defines its capital as its net assets for both the Operations Fund and the Insurance Program Funds.

For the Operations Fund, as a delegated administrative authority, RECO's principal objective is to manage these assets in a manner that allows it to continue to meet the requirements of the administrative agreement with the Ministry of Consumer Services, which includes a requirement to ensure it has adequate resources to comply with the agreement, REBBA 2002 and the *Safety and Consumer Statutes Administration Act, 1996*.

For the Insurance Program Funds, RECO's principal objective is to continue to provide for insurance coverage for consumer deposits (protection of consumers), for errors and omissions insurance (protection of consumers and registrants), and for commission protection insurance (protection of registrants) at affordable rates for registrants. Net assets of the Insurance Program Funds are restricted for use in the Insurance Program.

May 16, 2013

INDEPENDENT AUDITOR'S REPORT

To the Registrants of
Real Estate Council of Ontario

We have audited the accompanying financial statements of Real Estate Council of Ontario, which comprise the statements of financial position as at March 31, 2013, March 31, 2012 and April 1, 2011 and the statements of operations and cumulative operations and insurance program fund balances and cash flows for the years ended March 31, 2013 and March 31, 2012, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Real Estate Council of Ontario as at March 31, 2013, March 31, 2012 and April 1, 2011 and the results of its operations and its cash flows for the years ended March 31, 2013 and March 31, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

PricewaterhouseCoopers LLP

Chartered Accountants, Licensed Public Accountants
Toronto, Ontario, Canada

Real Estate Council of Ontario

March 31, 2013, March 31, 2012 and April 1, 2011

ASSETS	OPERATIONS FUND			INSURANCE PROGRAM FUNDS			TOTAL		
	March 31, 2013 $	March 31, 2012 $	April 1, 2011 $	March 31, 2013 $	March 31, 2012 $	April 1, 2011 $	March 31, 2013 $	March 31, 2012 $	April 1, 2011 $
Current assets									
Cash	**1,064,575**	1,037,871	899,749	**961,996**	851,004	518,507	**2,026,571**	1,888,875	1,418,256
Short-term investments (note 2)	**16,865,422**	16,922,957	15,774,625	**16,489,757**	15,308,647	14,683,582	**33,355,179**	32,231,604	30,458,207
Accounts receivable	**495,064**	504,520	421,951	**91,042**	79,082	61,308	**586,106**	583,602	483,259
Prepaid insurance premiums	**-**	-	-	**7,926,750**	6,823,188	6,467,557	**7,926,750**	6,823,188	6,467,557
Deposits and prepaid expenses	**286,640**	326,418	204,112	**-**	-	-	**286,640**	326,418	204,112
	18,711,701	18,791,766	17,300,437	**25,469,545**	23,061,921	21,730,954	**44,181,246**	41,853,687	39,031,391
Capital assets (note 3)	**4,257,079**	4,364,634	639,699	**-**	-	-	**4,257,079**	4,364,634	639,699
	22,968,780	23,156,400	17,940,136	**25,469,545**	23,061,921	21,730,954	**48,438,325**	46,218,321	39,671,090
LIABILITIES									
Current liabilities									
Accounts payable and accrued liabilities (note 10)	**859,125**	2,578,007	543,587	**40,168**	29,097	12,201	**899,293**	2,607,104	555,788
Accrued insurance premiums	**-**	-	-	**522,597**	402,539	425,634	**522,597**	402,539	425,634
Government fee payable (note 6)	**145,298**	150,001	345,302	**-**	-	-	**145,298**	150,001	345,302
Deferred lease inducement (note 5)	**95,268**	-	-	**-**	-	-	**95,268**	-	-
Deferred education revenue (note 4(c))	**200,000**	400,000	400,000	**-**	-	-	**200,000**	400,000	400,000
Deferred registration revenue (note 4(a))	**8,902,722**	8,618,260	7,730,295	**-**	-	-	**8,902,722**	8,618,260	7,730,295
Deferred insurance premiums (note 4(b))	**-**	-	-	**8,519,569**	7,298,793	6,656,311	**8,519,569**	7,298,793	6,656,311
Deferred premium stabilization (note 4(b))	**-**	-	-	**327,676**	312,448	654,916	**327,676**	312,448	654,916
Deferred insurance administration (note 4(b))	**-**	-	-	**382,725**	380,402	77,168	**382,725**	380,402	77,168
	10,202,413	11,746,268	9,019,184	**9,792,735**	8,423,279	7,826,230	**19,995,148**	20,169,547	16,845,414
Deferred lease inducement (note 5)	**762,144**	-	-	**-**	-	-	**762,144**	-	-
Deferred education revenue	**-**	100,000	400,000	**-**	-	-	**-**	100,000	400,000
Deferred registration revenue (note 4(a))	**2,812,035**	2,874,124	2,733,526	**-**	-	-	**2,812,035**	2,874,124	2,733,526
	13,776,592	14,720,392	12,152,710	**9,792,735**	8,423,279	7,826,230	**23,569,327**	23,143,671	19,978,940
ACCUMULATED FUND BALANCES									
Investment in capital assets (note 3)	**4,257,079**	4,364,634	639,699	**-**	-	-	**4,257,079**	4,364,634	639,699
Restricted									
Insurance Premium Fund (schedule 2)	**-**	-	-	**54,383**	54,348	359,548	**54,383**	54,348	359,548
Premium Stabilization Fund (schedule 2)	**-**	-	-	**15,032,410**	14,076,896	12,817,830	**15,032,410**	14,076,896	12,817,830
Insurance Administration Fund (schedule 2)	**-**	-	-	**590,017**	507,398	727,346	**590,017**	507,398	727,346
Unrestricted	**4,935,109**	4,071,374	5,147,727	**-**	-	-	**4,935,109**	4,071,374	5,147,727
	9,192,188	8,436,008	5,787,426	**15,676,810**	14,638,642	13,904,724	**24,868,998**	23,074,650	19,692,150
	22,968,780	23,156,400	17,940,136	**25,469,545**	23,061,921	21,730,954	**48,438,325**	46,218,321	39,671,090
Commitments and contingencies (notes 7 and 9)									

The accompanying notes are an integral part of these financial statements.

For the years ended March 31, 2013 and March 31, 2012

Real Estate Council of Ontario

REVENUES	OPERATIONS FUND		INSURANCE PROGRAM FUNDS		TOTAL	
	2013	2012	**2013**	2012	**2013**	2012
	$	$	**$**	$	**$**	$
Registration fees (note 4(a))	**11,863,776**	10,757,422	**-**	-	**11,863,776**	10,757,422
Insurance premium fees (note 4(b))	**-**	-	**19,112,479**	16,798,376	**19,112,479**	16,798,376
Premium stabilization fees (note 4(b))	**-**	-	**767,663**	1,099,505	**767,663**	1,099,505
Insurance administration fees (note 4(b))	**-**	-	**912,471**	595,253	**912,471**	595,253
Education (note 4(c))	**2,069,335**	1,959,513	**-**	-	**2,069,335**	1,959,513
Other income	**1,060,711**	1,210,766	**143,198**	154,704	**1,203,909**	1,365,470
	14,993,822	13,927,701	**20,935,811**	18,647,838	**35,929,633**	32,575,539
EXPENSES AND EXPENDITURES						
Council expenses (schedules 1 and 2)	**14,466,974**	11,488,052	**20,182,264**	18,157,442	**34,649,238**	29,645,494
OPERATING INCOME BEFORE INTEREST INCOME						
	526,848	2,439,649	**753,547**	490,396	**1,280,395**	2,930,045
INTEREST INCOME						
	229,332	208,933	**284,621**	243,522	**513,953**	452,455
NET INCOME FOR THE YEAR						
	756,180	2,648,582	**1,038,168**	733,918	**1,794,348**	3,382,500
ACCUMULATED FUND BALANCES						
Beginning of year	**8,436,008**	5,787,426	**14,638,642**	13,904,724	**23,074,650**	19,692,150
ACCUMULATED FUND BALANCES						
End of year	**9,192,188**	8,436,008	**15,676,810**	14,638,642	**24,868,998**	23,074,650

The accompanying notes are an integral part of these financial statements.

Real Estate Council of Ontario

For the years ended March 31, 2013 and March 31, 2012

CASH PROVIDED BY (USED IN)	OPERATIONS FUND		INSURANCE PROGRAM FUNDS		TOTAL	
Operating activities	**2013** **$**	2012 $	**2013** **$**	2012 $	**2013** **$**	2012 $
Net income for the year	**756,180**	2,648,582	**1,038,168**	733,918	**1,794,348**	3,382,500
Items not affecting cash						
Amortization	**741,595**	416,424	**-**	-	**741,595**	416,424
Loss on disposal of capital assets	**34,738**	-	**-**	-	**34,738**	-
	1,532,513	3,065,006	**1,038,168**	733,918	**2,570,681**	3,798,924
Non-cash working capital items related to operations (note 12)	**851,122**	(473,678)	**(927,176)**	(401,421)	**(76,054)**	(875,099)
	2,383,635	2,591,328	**110,992**	332,497	**2,494,627**	2,923,825
INVESTING ACTIVITIES						
Purchase of capital assets	**(2,356,931)**	(2,453,206)	**-**	-	**(2,356,931)**	(2,453,206)
INCREASE IN CASH DURING THE YEAR						
	26,704	138,122	**110,992**	332,497	**137,696**	470,619
CASH - BEGINNING OF YEAR						
	1,037,871	899,749	**851,004**	518,507	**1,888,875**	1,418,256
CASH - END OF YEAR						
	1,064,575	1,037,871	**961,996**	851,004	**2,026,571**	1,888,875
SUPPLEMENTARY INFORMATION						
Accrued capital expenditures	**-**	1,688,153	**-**	-	**-**	1,688,153

The accompanying notes are an integral part of these financial statements.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of organization

The Real Estate Council of Ontario (RECO) is a not-for-profit organization, incorporated by letters patent under the Canada Corporations Act on February 18, 1997. RECO is exempt from tax under the Income Tax Act (Canada).

On May 5, 1997, RECO received delegated responsibility to administer the Real Estate and Business Brokers Act (the Act). RECO's mandate is to protect consumers and to administer the regulatory requirements of Ontario's real estate profession. On March 31, 2006, the Real Estate and Business Brokers Act 2002 (REBBA 2002) was proclaimed. Consumer deposit insurance, errors and omissions, insurance and commission protection insurance are mandatory under REBBA 2002. Payments required under REBBA 2002 are designated to three funds: the Insurance Premium Fund, the Premium Stabilization Fund and the Insurance Administration Fund.

The Insurance Premium Fund is a restricted fund that is used to hold the insurance premiums that will be remitted to the insurer. The Premium Stabilization Fund is a restricted fund that may be used to offset future increases in the premiums charged by the insurer. This fund may also be used to reduce the present level of premiums. A special Insurance Premium Stabilization Committee, composed of members, reviews and recommends the use of funds for approval by the board of directors.

The Insurance Administration Fund is a fund used to pay the administrative costs associated with the operation of REBBA 2002.

Basis of preparation

Effective April 1, 2012, RECO elected to adopt Canadian accounting standards for not-for-profit organizations (ASNPO) as issued by the Canadian Accounting Standards Board. The accounting policies selected under this framework have been applied consistently and retrospectively as if these policies had always been in effect. RECO has not utilized any transitional exemptions on the adoption of ASNPO. There were no adjustments to the statements of financial position or the statements of operations and cumulative operations and insurance program fund balances and cash flows.

Revenue recognition

RECO follows the deferral method of accounting for revenue. RECO derives its revenue primarily from the fees charged to register as a real estate salesperson, a real estate broker, and a real estate brokerage, fees from amounts receivable under the Education Services Agreement with the Ontario Real Estate Association (OREA), and fees charged for the administration of the insurance program. Registration proceeds are for a two-year period. Revenue is recognized evenly over this two-year period to match the period in which services are to be rendered. Amounts related to future years are recorded as deferred revenue. The Education Services Agreement is for a five-year period and was extended for a three-year period to August 2016. Certain of the amounts receivable under the agreement are recognized evenly over this period; the remaining amounts are recorded as deferred revenue. Other amounts receivable are recognized in the year received. Insurance proceeds are for the one-year period of the insurance policy, which runs from September 1 of the current year to September 1 of the following year. Amounts related to the following year are recorded as deferred revenue.

Financial instruments

Financial assets and financial liabilities are initially recognized at fair value and are subsequently accounted for as discussed below.

Short-term investments are recorded at fair value with the change in the fair value recorded in other income. Transaction costs related to short-term investments are expensed as incurred.

Cash, accounts receivable, accounts payable and accrued liabilities, accrued insurance premiums and government fee payable are measured at amortized cost.

Capital assets

Capital assets are recorded at cost, less accumulated amortization. Amortization is provided at the following annual rates on a straight-line basis:

- Computer equipment and software 30%
- Office furniture and equipment 20%
- Communication equipment 50%
- Leasehold improvements over the term of the lease

When a capital asset no longer has any long-term service potential, the excess of its net carrying amount over any residual value is recognized as an expense in the statements of operations and cumulative operations and insurance program fund balances.

Lease inducements

Lease inducements are amortized on a straight-line basis as a reduction of rent expense over the term of the lease.

Use of estimates

The preparation of RECO's financial statements and the accompanying notes in conformity with ASNPO requires management to make estimates and assumptions that affect the amounts in the financial statements and the disclosure in the accompanying notes. Actual results could differ from those estimates used in preparing the financial statements.

2 SHORT-TERM INVESTMENTS

Short-term investments consist of guaranteed investment certificates (GICs) with interest rates ranging from 1.25% to 1.75% and maturity dates ranging from April 17, 2013 to March 6, 2014.

Real Estate Council of Ontario

March 31, 2013, March 31, 2012 and April 1, 2011

3. CAPITAL ASSETS

March 31, 2013

	Cost $	Accumulated amortization $	**Net $**
Computer equipment and software (i)	2,032,046	1,613,654	418,392
Office furniture and equipment and communication equipment	2,313,124	1,067,219	1,245,905
Leasehold improvements	2,873,551	280,769	2,592,782
	7,218,721	2,961,642	4,257,079

March 31, 2012

	Cost $	Accumulated amortization $	Net $
Computer equipment and software (i)	1,690,681	1,462,529	228,152
Office furniture and equipment	2,284,304	868,224	1,416,080
Leasehold improvements	2,720,402	-	2,720,402
	6,695,387	2,330,753	4,364,634

March 31, 2011

	Cost $	Accumulated amortization $	Net $
Computer equipment and software (i)	2,240,778	1,832,714	408,064
Office furniture and equipment	1,195,862	1,057,769	138,093
Leasehold improvements	671,354	577,812	93,542
	4,107,994	3,468,295	639,699

i) Included in computer equipment and software are intangible assets relating to software with a net book value in the amount of $143,413 (2012 - $135,990).

4. DEFERRED REVENUE

a) Operations Fund

Deferred revenue represents registration fees received that relate to subsequent years. The movements in the deferred revenue balance were as follows:

	$
Balance - April 1, 2011	10,463,821
Registration fees received in fiscal 2012	11,785,985
Less: Amounts recognized as revenue in fiscal 2012	(10,757,422)
Balance - March 31, 2012	11,492,384
Registration fees received in fiscal 2013	12,086,149
Less: Amounts recognized as revenue in fiscal 2013	(11,863,776)
Balance - March 31, 2013	11,714,757
Amounts to be recognized as revenue in fiscal 2014	8,902,722
Amounts to be recognized as revenue in fiscal 2015	2,812,035
	11,714,757

b) Insurance Program Funds

Deferred revenue represents insurance payments received that relate to the next fiscal year. The movements in the deferred revenue balance were as follows:

	Insurance Premium Fund $	Premium Stabilization Fund $	Insurance Administration Fund $	**Total** $
Balance - April 1, 2011	6,656,311	654,916	77,168	7,388,395
Insurance payments received in fiscal 2012	17,440,858	757,037	898,487	19,096,382
Less: Amounts recognized as revenue in fiscal 2012	(16,798,376)	(1,099,505)	(595,253)	(18,493,134)
Balance - March 31, 2012	7,298,793	312,448	380,402	7,991,643
Insurance payments received in fiscal 2013	20,333,255	782,891	914,794	22,030,940
Less: Amounts recognized as revenue in fiscal 2013	(19,112,479)	(767,663)	(912,471)	(20,792,613)
Balance - March 31, 2013	8,519,569	327,676	382,725	9,229,970
Amounts to be recognized as revenue in fiscal 2014	8,519,569	327,676	382,725	9,229,970

4. DEFERRED REVENUE CONTINUED

c) Operations Fund - Education Services Agreement

An education services agreement between the registrar (appointed under REBBA 2002) RECO and OREA became effective August 1, 2008. In this agreement, the registrar designated OREA as the sole fiduciary designate to provide the services, functions and responsibilities described in the agreement for a five-year period. As a provision of this agreement, OREA agreed to pay a one-time amount of $1,500,000, semi-annual payments of $150,000 and a percentage of the revenues generated by OREA annually through enrolments in the program. Revenue other than that based on enrolments has been deferred and is being amortized over the period to which it applies: $1,500,000 over 60 months; and each $150,000 semi-annual payment over six months. The agreement has been extended for three years to August 2016 and RECO will continue to receive semi-annual payments of $150,000. The movements in the deferred balance were:

	$
Balance - April 1, 2011	800,000
Received August 3, 2011	150,000
Received February 2, 2012	150,000
Less: Amounts recognized as education revenue in fiscal 2012	(600,000)
Balance - March 31, 2012	500,000
Received August 9, 2012	150,000
Received February 2, 2013	150,000
Less: Amounts recognized as education revenue in fiscal 2013	(600,000)
Balance - March 31, 2013	200,000
Amounts to be recognized as revenue in fiscal 2014	200,000

5. DEFERRED LEASE INDUCEMENT

The deferred lease inducement represents the reimbursement by the lessor of certain expenditures for leasehold improvements made by RECO. This inducement is being amortized on a straight-line basis as a reduction of rental expense over the term of the lease.

	$
Inducements received fiscal 2013	952,680
Amortized to rental expense	(95,268)
Balance - End of year	857,412
Amounts to be amortized in fiscal 2014	95,268
Amounts to be amortized in fiscal 2015 and subsequent years	762,144
	857,412

6. ADMINISTRATIVE AGREEMENT

An administrative agreement exists between RECO and the Ministry of Consumer Services (the Agreement). Amounts payable under the Agreement are recognized in the year incurred. In the current year, $136,454 (2012 - $72,690) was incurred as an expense. In accordance with the Agreement, RECO is committed to pay $175,707 in fiscal 2014 and $198,707 in fiscal 2015.

7. COMMITMENTS

RECO has minimum commitments under leases for premises and equipment. The future estimated payments are as follows:

	$
2014	795,293
2015	795,293
2016	746,658
2017	662,493
2018	662,493
Thereafter	2,589,132
	6,251,362

RECO is also committed to make insurance premium payments of $592,815 for the period from April 1, 2013 to August 31, 2013. This payment is due on August 31, 2013.

8. FUNDS HELD IN TRUST

RECO holds in trust consumer deposits transferred by brokers as dormant trust funds. As at March 31, 2013, these deposits amounted to $5,106,688 (2012 - $5,272,221). These amounts have not been included in the financial statements, as RECO does not control or benefit from these funds.

9. CONTINGENCIES

RECO is involved in various claims and litigation both as plaintiff and respondent. In the opinion of management, the resolution of claims against RECO will not result in a material effect on the financial position of RECO. Any settlements or awards will be reflected in the statements of operations and cumulative operations and insurance program fund balances as the matters are resolved.

10. GOVERNMENT REMITTANCES

Included in accounts payable and accrued liabilities are sales taxes of $123,848 (2012 - $nil) that are required to be paid to government authorities.

11. FINANCIAL INSTRUMENTS

The main risks to which RECO's financial instruments are exposed are interest rate risk, market risk and credit risk. It is management's opinion that RECO is not exposed to significant foreign exchange risk and liquidity risk.

Interest rate risk

The short-term investments bear interest at fixed rates and, as such, the risk resulting from fluctuations in interest rates is low.

Market risk

Market risk arises from the possibility that changes in market prices will affect the value of the financial instruments of RECO. RECO manages its risk by investing only in highly liquid, short-term GICs.

Credit risk

Credit risk is the risk of an unexpected loss if a counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject RECO to credit risk consist principally of cash and short-term investments. RECO places its cash and short-term investments with high-quality institutions to mitigate this risk.

RECO is exposed to credit risk on accounts receivable from OREA and others. RECO's accounts receivable risk is considered to be low, as receivables are recognized only if it is certain the amounts will be received.

12. NON-CASH WORKING CAPITAL ITEMS RELATED TO OPERATIONS

	OPERATIONS FUND		INSURANCE PROGRAM FUNDS		TOTAL	
	2013	2012	**2013**	2012	**2013**	2012
	$	$	**$**	$	**$**	$
Short-term investments	**57,535**	(1,148,332)	**(1,181,110)**	(625,065)	**(1,123,575)**	(1,773,397)
Accounts receivable	**9,456**	(82,569)	**(11,960)**	(17,774)	**(2,504)**	(100,343)
Prepaid insurance premiums	**-**	-	**(1,103,562)**	(355,631)	**(1,103,562)**	(355,631)
Deposits and prepaid expenses	**39,778**	(122,306)	**-**	-	**39,778**	(122,306)
Accounts payable and accrued liabilities	**(30,729)**	346,267	**11,071**	16,896	**(19,658)**	363,163
Accrued insurance premiums	**-**	-	**120,058**	(23,095)	**120,058**	(23,095)
Government fee payable	**(4,703)**	(195,301)	**-**	-	**(4,703)**	(195,301)
Deferred lease inducement	**857,412**	-	**-**	-	**857,412**	-
Deferred education revenue	**(300,000)**	(300,000)	**-**	-	**(300,000)**	(300,000)
Deferred registration revenue	**222,373**	1,028,563	**-**	-	**222,373**	1,028,563
Deferred insurance premiums	**-**	-	**1,220,776**	642,482	**1,220,776**	642,482
Deferred premium stabilization	**-**	-	**15,228**	(342,468)	**15,228**	(342,468)
Deferred insurance administration	**-**	-	**2,323**	303,234	**2,323**	303,234
	851,122	(473,678)	**(927,176)**	(401,421)	**(76,054)**	(875,099)

13. COMPARATIVE FIGURES

Certain of the comparative figures have been restated to conform to the current year's financial statement presentation.

SCHEDULE 1

SCHEDULES OF COUNCIL EXPENDITURES

For the years ended March 31, 2013 and March 31, 2012

Real Estate Council of Ontario

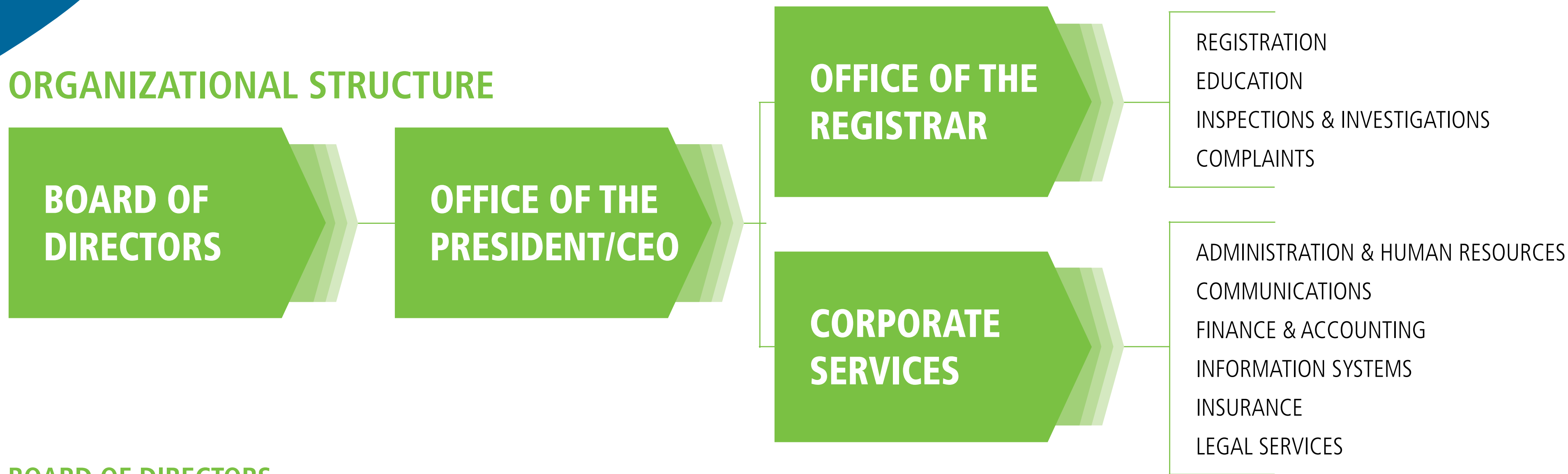
	2013	2012
Operating expenses	$	$
Office of the President and Chief Executive Officer	600,564	549,650
Office of the Registrar	655,945	632,626
Registration department	827,297	791,442
Education department	569,961	323,814
Inspections and investigations	1,070,905	1,033,652
Complaints and compliance department	927,391	924,712
Office of the Director of Corporate Services	359,431	354,178
Legal services department	1,495,848	1,443,598
Administration and human resources	744,694	567,007
Finance and accounting department	364,888	348,050
Communications department	391,471	370,352
Information systems department	1,290,634	694,624
Facilities cost	1,579,981	1,096,697
	10,879,010	9,130,402
Board of directors and working groups		
Board of directors' per diems	70,750	73,850
Board of directors' travel and meeting costs	65,291	70,323
Legislation and regulation committee	4,678	8,504
Governance committee	5,988	7,198
Audit committee	1,764	2,629
Finance committee	4,939	2,607
	153,410	165,111
Other corporate		
Amortization	741,595	416,424
Communications activities	1,115,112	377,912
Credit card discounts and charges	283,062	309,107
Government fee (note 6)	136,454	72,690
Hearings activities	198,509	167,759
Consulting costs	366,725	250,115
Directors' and officers' liability insurance	200,876	194,634
Annual general meeting	68,443	115,017
Strategic planning	80,241	97,484
Elections	105,858	87,703
Audit fees	25,244	52,628
National and international regulators' groups	71,703	51,066
Discipline and appeals committee	5,994	-
Loss on disposal of capital assets	34,738	-
	3,434,554	2,192,539
	14,466,974	11,488,052

Real Estate Council of Ontario

For the years ended March 31, 2013 and March 31, 2012

	Insurance Premium Fund $	Premium Stabilization Fund $	Insurance Administration Fund $	2013 Total $	2012 Total $
REVENUES					
Insurance funds recognized	19,112,479	767,663	912,471	**20,792,613**	18,493,134
Other income	-	-	143,198	**143,198**	154,704
	19,112,479	767,663	1,055,669	**20,935,811**	18,647,838
EXPENSES					
Legal and audit	-	-	35,946	**35,946**	156,885
Insurance staffing	-	-	194,593	**194,593**	198,845
Insurance committee	-	-	15,096	**15,096**	14,116
Miscellaneous	-	-	19,278	**19,278**	17,906
Stabilization committee	-	-	7,784	**7,784**	2,407
Printing costs	-	-	77,037	**77,037**	42,580
Credit card discounts	-	-	500,376	**500,376**	454,871
Processing and mailing costs	-	-	219,710	**219,710**	166,256
Insurance	19,112,444	-	-	**19,112,444**	17,103,576
	19,112,444	-	1,069,820	**20,182,264**	18,157,442
OPERATING INCOME (LOSS) BEFORE INTEREST INCOME					
	35	767,663	(14,151)	**753,547**	490,396
INTEREST INCOME					
	-	187,851	96,770	**284,621**	243,522
NET INCOME FOR THE YEAR					
	35	955,514	82,619	**1,038,168**	733,918
ACCUMULATED FUND BALANCES					
Beginning of year	54,348	14,076,896	507,398	**14,638,642**	13,904,724
ACCUMULATED FUND BALANCES					
End of year	54,383	15,032,410	590,017	**15,676,810**	14,638,642

ORGANIZATIONAL STRUCTURE



BOARD OF DIRECTORS

RECO is governed by a 12-member Board of Directors, including nine elected representatives registered under REBBA 2002 and three non-registrants appointed by the Minister of Consumer Services to represent consumers, business and government. RECO's Board of Directors is responsible for providing progressive and collective leadership to RECO.

The day-to-day management of RECO is the responsibility of the President/CEO in accordance with the policies and budget established by the Board of Directors. The powers and duties imposed under REBBA 2002 are carried out by the Registrar. The management team and staff support the delivery of programs and services for consumers and registrants. As of March 31, 2013, RECO had 92 full-time employees.

CHAIR

KEITH R. TARSWELL

Broker
Bosley Real Estate Ltd., Brokerage
Toronto
End of Term: June 2014

Keith Tarswell was elected to RECO's Board of Directors in 2008. During his time on the Board of Directors, including two terms as Chair, he has participated in the Audit, Finance, and Governance Committees and served as Chair of the Premium Stabilization Committee.

Mr. Tarswell began his career in real estate in 1980, becoming a Broker in 1988, and was awarded his MVA designation in 1992. He enjoyed residential and commercial success before accepting a management position with Bosley Real Estate in 1998.

Mr. Tarswell has also served on numerous committees with the Toronto Real Estate Board and the Ontario Real Estate Association.

VICE CHAIR

GLENDA BRINDLE

Broker
Royal LePage Team Realty, Brokerage
Ottawa
End of Term: June 2015

Glenda Brindle was first elected to RECO's Board of Directors in 2006 and was elected by the Board in 2012 to serve as Vice Chair. She previously held the role of Vice Chair in 2009, as well as Chair in 2010. Since joining the Board, she has also served as a member of the Finance, Insurance, Governance and Legislation & Regulations Committees.

Ms. Brindle began her career as a real estate salesperson in 1987, becoming a broker in 2005. She has received several sales awards throughout her career, including the Royal LePage Lifetime Award of Excellence.

Ms. Brindle is a past Director and President of the Ottawa Real Estate Board and Governor for the Ontario Real Estate Association's Realtors Care Foundation.

BOARD OF DIRECTORS

ELECTED DIRECTORS

CHAIR

KEITH R. TARSWELL
Broker
Bosley Real Estate Ltd., Brokerage
Toronto
End of Term: June 2014

VICE CHAIR

GLENDA BRINDLE
Broker
Royal LePage Team Realty, Brokerage
Ottawa
End of Term: June 2015

MICHAEL APPLETON
Salesperson
Right at Home Realty, Brokerage
Toronto
End of Term: June 2015

MIKE CUSANO
Broker
Re/Max Escarpment Realty Inc., Brokerage
Hamilton
End of Term: June 2015

PETER HOFFMAN
Broker of Record
Royal LePage Triland Realty, Brokerage
London
End of Term: June 2013

CYNTHIA K. LAI, FRI
Broker
Global Link Realty Group Inc., Brokerage
Toronto
End of Term: June 2013

JODY LAVOIE
Broker
Royal LePage Team Realty, Brokerage
Ottawa
End of Term: June 2013

REBECCA RYDER
Broker of Record
Royal LePage Burloak Real Estate Services Ltd., Brokerage
Burlington
End of Term: June 2014

GEORGE WATSON
Broker
Primecorp Commercial Realty, Brokerage
Wasaga Beach
End of Term: June 2014

APPOINTED DIRECTORS

LAWRENCE BREMNER, B.A., L.L.B.
Barrister & Solicitor
End of Term: December 2012
(Not pictured)

MARY SHENSTONE
Assistant Deputy Minister
International Relations & Chief of Protocol
Ministry of Intergovernmental Affairs
End of Term: August 2013

BILL YETMAN
Executive Director
Bicycle Trade Association of Canada
End of Term: February 2014

COMMITTEES, TASK FORCES AND WORKING GROUPS

Appeals Committee	The Appeals Committee is established to hear, consider and decide appeals related to Discipline Committee decisions.
Audit Committee	The Audit Committee is established to assist the Board of Directors in meeting its fiduciary responsibilities.
Discipline Committee	The Discipline Committee is established to hear matters referred to it by the Registrar. Discipline panels determine whether or not registrants have complied with the Code of Ethics.
Registrar's Education Advisory Committee	The Education Advisory Committee is established to review education requirements for registrants and provide advice to the Registrar. The committee may also make recommendations regarding potential changes to educational requirements or policies related to education providers and approved subject areas.
Finance Committee	The Finance Committee is established to advise the Board of Directors on financial policies and the annual budget.
Governance Committee	The Governance Committee is established to develop, recommend to the Board of Directors, implement and assess effective corporate governance principles.
Insurance Committee	The Insurance Committee is established to monitor the registrant insurance program on an ongoing basis, including claims data, policy wording and administration.
Legislation & Regulations Committee	The Legislation & Regulations Committee is established to assist and support the Board of Directors in advising government on potential changes to the legislation and regulations administered by RECO, as well as RECO's policy priorities. The Committee also considers the recommendations and analysis of other Committees, task forces, working groups and external stakeholders suggesting changes to the legislation or regulations.
Premium Stabilization Committee	The Premium Stabilization Committee is established to monitor the premium stabilization fund created as part of the registrant insurance program and ensure that any use of these funds is transparent.

MANAGEMENT

OFFICE OF THE PRESIDENT/CEO

TOM WRIGHT
President/CEO

The President/CEO is responsible for the effective and efficient management of the organization in accordance with the policies and the budget established by the Board of Directors. This encompasses delegation of full authority over RECO's operating activities and resources, responsibility for achievement of RECO's strategic goals, and accountability for RECO's results.

SANDRA GIBNEY
Principal Advisor, Strategic Management & Planning

The Principal Advisor, Strategic Management and Planning is responsible for directing the development and coordination of long-term strategy and planning functions for the Council, as well as providing leadership, oversight, analysis and project management support for a broad range of initiatives critical to the fulfillment of strategic objectives, and participating in the evaluation and prioritization of proposed goals, objectives and initiatives.

SHELLEY WESTLAKE-BROWN
Manager, Executive & Board Operations

The Manager, Executive & Board Operations is responsible for providing executive level administrative management to the Office of the President/CEO, including a wide range of complex and confidential administrative, operational and governance tasks. The Manager, Executive & Board Operations works closely with the Board of Directors, Committees, Task Forces and Management Group.

REGULATORY

JOSEPH RICHER
Registrar

The Registrar is responsible for providing leadership, integrity and fair-mindedness to the administration of the *Real Estate and Business Brokers Act, 2002*, which includes setting educational standards and enforcement of any contraventions of the Act. The Registrar provides direction and oversight to RECO's registration, education, inspections & investigations and complaints departments to ensure the highest possible level of consumer protection and knowledge in the operation of the real estate brokerage industry in Ontario.

BRUCE MATTHEWS
Deputy Registrar, Regulatory Compliance

Under the direction of the Registrar, the Deputy Registrar, Regulatory Compliance is responsible for overseeing the managing of the enforcement and administration of the *Real Estate and Business Brokers Act, 2002* as it applies to RECO's investigations, inspections, inquires and compliance roles.

BRIAN SCHLOTZHAUER
Deputy Registrar, Industry Standards

Under the direction of the Registrar, the Deputy Registrar, Industry Standards is responsible for overseeing the managing of the enforcement and administration of the *Real Estate and Business Brokers Act, 2002* as it applies to RECO's registration and education roles.

JOHN BURNET
Manager, Complaints, Compliance & Discipline

The Manager, Complaints, Compliance & Discipline (CCD) is responsible for administering and managing, by various means, RECO's Complaints, Compliance and Discipline process and providing interpretation of the RECO Code of Ethics.

LISA KEY
Manager, Regulatory Learning & Professional Development

The Manager, Regulatory Learning & Professional Development manages, plans, coordinates, implements and evaluates RECO's Registration and Continuing Education programs, new and future initiatives and provides input and support to the Registrar, the Deputy Registrar Industry Standards, RECO and standing and advisory committees and task forces on all education matters.

BRIAN PRENDERGAST
Manager, Inspections & Investigations

The Manager, Inspections and Investigations helps fulfill the duties of the Registrar by directing province-wide inspections and investigation services; ensuring that the functions performed are timely, consistent, and impartial.

ANGELA VOLPE
Manager, Registration

The Manager, Registration provides daily management of the Registration Department; develops and implements technical and operational objectives; represents the Office of the Registrar at the Licence Appeal Tribunal and at Provincial Offences Court; and ensures the requirements of Real Estate and Business Brokers Act, 2002 and RECO's policies and procedures as they relate to registration are interpreted and applied in a consistent fashion.

CORPORATE SERVICES

DAN STAPLETON
Director, Corporate Services

The Director, Corporate Services supports the President/CEO by ensuring the efficient and effective management of the RECO's non-regulatory operations, as organized under Corporate Services, including administration and human resources; finance; information systems; communications; legal services and insurance services.

GLORIA FOUGERE
Manager, Finance & Accounting

The Manager, Finance and Accounting is responsible for establishing and overseeing all functions related to finance and accounting.

RUTH GARRETT
Manager, Insurance Programs

The Manager, Insurance Programs manages a range of insurance services and activities of the Council, develops and implements insurance initiatives that support the strategic goals and objectives of the Council, and sets the objectives and service levels for insurance department operations and staff.

MIKE PRIME
Manager, Information Systems

The Manager, Information Systems is responsible for the design, development and implementation of organizational information systems, software applications, and IT support and infrastructure systems. The Manager of IS directs and manages resources, IT plans, schedules, policies and programs for RECO's data processing, network communications, business operations, computer services and information systems, according to established goals and objectives.

SHERRI HAIGH
Manager, Communications

The Manager, Communications oversees a broad range of the Council's communications activities and develops and implements communications plans and policies that support the Council's strategic goals and objectives.

SYLVIA MAUTI
Manager, Administration & Human Resources

The Manager, Administration & Human Resources is responsible for the internal administrative matters of the organization, including conducting or supervising all office management functions, such as office equipment, facilities, support services, and human resources.

ELIZABETH SILCOX
Manager, Legal Services

The Manager, Legal Services is responsible for managing and providing the legal services required to support the activities of all departments of RECO, including the Board of Directors, its Committees, Task Forces, Working Groups and the office of the President/CEO as required.

Purpose, Mission & Values

CORPORATE PROFILE

The Real Estate Council of Ontario (RECO) was established in 1997 and is responsible for regulating Ontario's real estate brokerages, brokers and salespersons in the public interest

CORE PURPOSE

To foster confidence and uphold integrity in real estate transactions

MISSION

To regulate the activity of trading in real estate in the public interest

RESPONSIBILITY

Interpret, enforce and suggest modifications to regulations

RELATIONSHIP

RECO has an exclusive contract with the Government of Ontario to administer the *Real Estate and Business Brokers Act, 2002* and must perform in a manner consistent with the government's expectations and the terms of the Administrative Agreement

CORE VALUES

RECO is dedicated to organizational behavior characterized by:

- **Integrity:** Be truthful and trustworthy
- **Accountability:** Administer the Act competently in accordance with law
- **Fairness:** Act impartially and equitably
- **Respect:** Treat all with courtesy

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www.reco.on.ca

follow us on twitter **@RECOhelps**

Tweeting news and tips important to Ontario's real estate professionals, home buyers and sellers.

If you have a concern or complaint,
please contact: complaints@reco.on.ca