2013–2014

Annual Report

RECO

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16

Over the past year, RECO has made regulatory decisions more accessible

Table of Contents

Highlights

Digital outreach to buyers and sellers

RECO launched an innovative digital outreach campaign that encouraged consumers to “be home smart” by avoiding common buying and selling pitfalls. Online ads and media outreach promoted RECO’s new Facebook page, which features an interactive quiz, a new set of videos and other educational resources. Registrants are urged to share these tools with their clients.

Learn more on page 6.

Launching a new continuing education program

RECO enhanced mandatory continuing education with the launch of a new online program that is administered directly by RECO. Courses focus on key subjects: regulatory compliance, consumer protection and current real estate sector issues. The response from registrants has been extremely positive.

Learn more on page 17.

Registrant survey

RECO’s registrant survey asked real estate professionals across Ontario to rate their satisfaction with RECO’s service and initiatives. Respondents gave RECO top marks: over 92 per cent of respondents said that RECO’s overall customer service meets or exceeds their expectations. RECO is committed to fostering an engaged work force to maintain these excellent results.

Learn more on page 9.

Promoting professionalism in the real estate sector

Buyers and sellers expect their broker or salesperson to exhibit qualities of professionalism, such as integrity, accountability and competency. In addition, survey results show that registrants want more information on the topic. RECO put professionalism front and centre in registrant communications, including articles in the *For the RECOrd* newsletter, videos featuring RECO Directors and presentations at local real estate industry events.

Learn more on page 7.

Message from the Chair

Glenda Brindle
Chair, Board of Directors

Guiding an evolving profession

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 2013–2014 fiscal year.

The Ontario government entrusts RECO to administer the *Real Estate and Business Brokers Act, 2002* (REBBA 2002) on their behalf. RECO has an important mandate: to deliver regulatory services that protect the public interest and enhance consumer confidence in the real estate profession. This report details RECO's accomplishments in meeting that mandate throughout the year. There is much to be proud of.

Enhancing continuing education

Since 2000, RECO has had a mandatory continuing education program to ensure that brokers and salespeople have up-to-date knowledge of the fast-moving real estate sector. This year, after careful consideration and planning, RECO enhanced continuing education with a new online program that uses cutting-edge learning technology to educate registrants about current industry issues, regulatory matters and matters related to consumer protection.

The response from registrants has been extremely positive: since launch on August 1, 2013, more than 16,000 registrants have signed up, and in post-course surveys learners have expressed high satisfaction with course content and navigation. Work is underway to add additional elective courses, which will provide registrants with a greater variety of learning opportunities.

Engaging real estate *professionals*

Real estate professionals renew their registration every two years, but RECO maintains a strong relationship with them year-round. RECO provides guidance and advice regarding issues they face day-to-day and seeks their feedback about emerging issues. RECO attended 49 industry events across Ontario this year to speak to registrants and answer their questions and concerns.

In addition, in fall 2013 RECO commissioned a registrant satisfaction survey to determine how registrants feel about RECO's customer service, communications, consumer outreach and other important activities. Time and time again, we hear that professionalism is a key issue in the real estate sector, and that feedback was reinforced by this year's results. Respondents rated professionalism as the highest priority communication topic.

In 2013–2014, RECO worked to nurture professionalism by weaving the theme into its major communications, most notably the registrant newsletter, *For the RECOrd*. RECO also produced two videos featuring myself and fellow Director Keith Tarswell on professional courtesy and record keeping, which included animations that gave the topics visual flair. The videos were very well received, and RECO will be producing new additions to the series in the coming year.

Beyond professionalism, registrants also need to understand how to deal with topics such as stigmatized properties and what to do when an agreement of purchase and sale fails. RECO produced new multimedia presentations that combine slides with moving video to explain these two issues in an easy-to-follow way. With three produced in previous years, RECO's library now includes five of these presentations and, because response has been so positive, more will be produced this year.

Revisions to RECO's by-laws

As a Federally-incorporated not-for-profit, RECO must comply with the new *Canada Not-for-Profit Corporations Act* by October 2014. This year, RECO worked diligently to develop new Articles of Continuance and revised by-laws that will bring RECO into compliance. RECO has been communicating the changes to registrants to ensure they understand that the Articles and the by-laws must be approved at RECO's Annual General Meeting, and that the changes will maintain their existing rights.

Studying self-insurance

Since 2000, RECO has worked with a third-party insurer to provide consumer deposit, errors and omissions and commission protection coverage. This model has worked well, but the private insurance market can be unpredictable. In 2013–2014, RECO initiated a study to determine the merits of a self-insurance model.

Under this model, a new insurance provider would exist solely to provide insurance coverage to RECO registrants. As a result, the insurance program would be less vulnerable to changes in the insurance marketplace that affect price and availability.

The study is still in its early stages, but as RECO considers the merits of self-insurance the interests of registrants and consumers will be paramount.

RECO launched an innovative digital campaign that encouraged consumers to "be home smart."

Real estate professionals renew their registration every two years, but RECO maintains a strong relationship with them year-round. RECO provides guidance and advice regarding issues they face day-to-day and seeks their feedback about emerging issues.

Digital outreach to buyers and sellers

When buyers and sellers are completing a real estate transaction, knowledge is power. That's why RECO's consumer outreach efforts are so important: an informed consumer is less likely to encounter common buying or selling pitfalls like failing to read contracts or waiving conditions in the emotional rush of a bidding war. In the registrant survey, respondents agreed by expressing overwhelming support for RECO's consumer outreach efforts, with 93 per cent rating them as important or very important.

In a crowded real estate marketplace, it can be difficult to be heard, so this year RECO launched an innovative digital campaign that encouraged consumers to "be home smart." The hub of the campaign was RECO's new Facebook page, which featured an interactive quiz and links to a new set of consumer Q&A videos. Targeted online ads and outreach to print, online and broadcast media drove traffic to the page. In addition, an online Twitter chat with a well-known personal-finance expert encouraged buyers and sellers to share their experiences. A consistent theme through all of the messaging was that there is value in working with a registered real estate professional.

The campaign was still underway as 2013–2014 came to a close, but early results look very favourable. During the year, RECO also continued to publish its consumer newsletter, *Reconnect*, twice a year. A new, eye-catching design made it a better resource than ever.

Preparing for change

RECO is undergoing a transition in leadership as President/CEO Tom Wright has decided to leave RECO after 17 years. As Chair of the selection committee, I can assure you that our next President/CEO will have the capabilities that are needed to keep RECO moving forward.

But he or she will have big shoes to fill. RECO could not be where it is today without Tom's leadership. I have worked with Tom for many years, and I have been continually impressed with his friendly, strong and effective leadership style, which inspires RECO staff to do their best.

During my time as Chair, I have witnessed the dedication and hard work of RECO staff, which has been essential in maintaining RECO's position as a leader in real estate regulation.

I would also like to offer my sincere gratitude to the Board of Directors for their support during my time as Chair. I am very proud of everything we have been able to achieve in the past year.

Without the efforts of RECO staff and Directors, the many accomplishments of 2013-2014 would not have been possible. Please read on to learn more about RECO's achievements during the year.

Glenda Brindle
Chair, Board of Directors

Promoting professionalism in the real estate sector

is essential to RECO's mission to protect the public interest. When buyers and sellers work with a broker or salesperson, they expect them to exhibit the characteristics of a true professional, such as integrity, accountability and competency.

Professionalism goes beyond just following the rules. It is a personal quality reflected through a registrant's attitude and how they approach their work. It is seen in how they carry themselves every day, and in their interactions with colleagues, clients and their community at large.

Registrants agree that professionalism is important. In RECO's 2013 registrant survey, respondents expressed a strong desire for more information on professionalism, with over 80 per cent rating it as a high or very high priority communication topic. In fact, they rated it the number one topic they want to learn more about. This is very positive. Registrants want to learn more about professionalism, and in 2013-2014 RECO made it a priority.

RECO's *For the RECOrd* newsletter provides Ontario's real estate professionals with timely information on developments in the real estate sector. Throughout 2013-2014, RECO included articles that explored different aspects of professionalism, including doing things the right way even when it's the hard way, and leading by example.

RECO also leveraged the impact of multimedia to promote professionalism. Videos featuring Chair Glenda Brindle and past Chair Keith Tarswell dealt with professional courtesy and record keeping. The videos included eye-catching animations that brought the topics to life.

The videos were complemented by multimedia presentations that featured dynamic slides side-by-side with video of Deputy Registrar Bruce Matthews. This year, RECO produced two new presentations on issues that registrants often ask questions about: failed agreements and stigmatized properties. With three presentations from previous years, RECO now has a library of five multimedia presentations, with more planned for the year ahead.

Digital communication is powerful, but there's no substitute for face-to-face contact. Across Ontario, real estate professionals gather at industry events to learn and interact. This year, RECO attended more of those events than ever before. Staff delivered presentations, answered questions and noted registrants' feedback at 49 events from Thunder Bay to Windsor.

New registrants are the future of the industry, so it's essential for RECO to connect with them right from the start. This year, RECO started introducing itself to new registrants with an electronic "Welcome to RECO" package that emphasizes professionalism, explains RECO's mission and role and provides resources that are especially helpful for registrants who are just starting out.

Professionalism was a major focus in 2013-2014, but the effort is ongoing. RECO's work to nurture professionalism within Ontario's real estate sector will continue to be a top priority.

Message from the President/CEO

Tom Wright
President/Chief Executive Officer

Past achievements lead RECO to a promising future

Reflecting on my 17 years with the Real Estate Council of Ontario (RECO), first as Registrar and then as President/CEO, there have been many changes and advancements in the real estate industry and, in turn, RECO has advanced in the way it delivers regulatory services.

During the last fiscal year, RECO continued to refine its processes and systems. The focus on continuous improvement is important in ensuring that RECO will continue to effectively meet its mission: *Excellence in the delivery of regulatory services that protect the public interest and enhance consumer confidence in the real estate profession.* This year's registrant satisfaction survey benchmarked our effectiveness and I'm proud to report that the results were extremely positive.

Business Process Review

With a seemingly ever-growing real estate industry, it's essential for RECO to look for operational improvements that will lead to enhanced customer service outcomes for registrants and consumers.

RECO launched a Business Process Review in 2013 to foster service excellence through a redesign of our business processes, with a focus on customer satisfaction and efficiency. It also includes the replacement of RECOnet, RECO's database system, with due consideration for risk management and financial prudence.

In 2013–2014, RECO made significant progress in determining how regulatory information should flow between departments. This helped to identify the requirements that will be needed for RECO's new database system. In 2014–2015, all information gathering and requirements details will be finalized and a competitive vendor selection process will begin. Implementation of the new system will commence in the latter half of 2014–2015 with plans to go live in early 2015–2016.

Website redesign

RECO's website welcomes more than 300,000 visitors each year. It's one of the core ways that RECO communicates with its various audiences and an important touch point for information about real estate regulation in Ontario.

To improve this critical tool, RECO has initiated a redesign project that will see a new website launched in 2014–2015. The new website will build on the successes of the existing site, which includes a dedicated space for resources for home buyers and sellers and a real-time registrant search feature.

The new website will provide the information that registrants, consumers and stakeholders are looking for in a visual, intuitive and easy-to-navigate way. It will also ensure that the content can be easily accessed across many different device platforms.

Employee engagement

As the following pages indicate, RECO accomplished a tremendous amount during the past year and it was done with a high level of attentiveness and focus on results. For that, I would like to thank RECO's staff and management, who continue to demonstrate a high level of commitment and motivation in helping RECO achieve its goals and objectives.

Every two years, RECO invites all registrants to complete a satisfaction survey, a major element of which gauges their satisfaction with RECO's customer service. I'm pleased to report that the results this year were extremely positive: over 92 per cent of respondents said that RECO's overall customer service meets or exceeds their expectations.

To maintain these excellent results, it's important for RECO to continue to foster an engaged work force. RECO has renewed its employee engagement strategies this year as advisory groups consisting of staff and management were formed to develop recommendations for increased employee engagement.

The new website will provide the information that registrants, consumers and stakeholders are looking for in a visual, intuitive and easy-to-navigate way. It will also ensure that the content can be easily accessed across many different device platforms.

The groups expressed a desire for more innovation, transparency, teamwork and more flexible employee benefits. As a result, a number of changes have been made, which I believe will continue to foster an engaged workplace. A follow-up survey in the coming year will help to identify any areas that need further attention.

Farewell

As the industry continues to evolve, so too will RECO. The next stage in RECO's evolution will take place shortly when a new President/CEO joins RECO. It has been my privilege to have been involved in such a dynamic industry and to contribute to the protection of consumers engaged in the most important financial decision of their lives — the purchase or sale of their home.

The RECO of today bears little resemblance to the RECO of 1997, when it came into existence. As I look back over the past 17 years, there are many people to thank for all that RECO has been able to accomplish.

I have had the pleasure of working with a series of Boards and their Chairs that demonstrated their focus on and commitment to RECO's mission and to the importance of public trust in real estate registrants. RECO has an integral role in the creation and maintenance of trust, which is essential to a successful and productive real estate sector.

It has been my privilege to have been involved in such a dynamic industry and to contribute to the protection of consumers engaged in the most important financial decision of their lives — the purchase or sale of their home.

RECO's strong working relationship with the Ministry of Consumer Services and its predecessors has also been a key element in RECO's success as a Delegated Administrative Authority. RECO's successful administration of the *Real Estate and Business Brokers Act, 2002* (REBBA 2002) is in no small part due to this relationship, which includes open communication and mutual respect.

The real estate industry itself has also been a major contributor, through the excellent work of the Ontario Real Estate Association and its associations and boards. Over the years they have focused on encouraging higher standards among their members, in addition to helping them prosper.

I have enjoyed meeting many fine and interesting people over the years: government representatives, industry members, and colleagues in other provinces and across North America. For me, my colleagues at RECO are second to none and the 17 years seem to have gone by in the blink of an eye. I'm pleased to be able to say that a number of RECO's original employees are with us today. I know how fortunate I have been to work in an organization with employees who demonstrate commitment to their day-to-day activities all directed toward the objective of protecting the public interest.

I have been involved in regulation-related activities for most of my career. Regulation is a challenging role and, in my view, an essential one. Effective regulation creates confidence, confidence generates trust and trust is the foundation of positive experiences both for the consumer and the regulated.

In closing, thank you to everyone for making my time at RECO the highlight of my career. I'm looking forward to seeing the next stage for RECO and the new achievements to come.

Tom Wright
President/Chief Executive Officer

Outreach Activities

During the year RECO:

Attended 63 outreach events in 29 cities

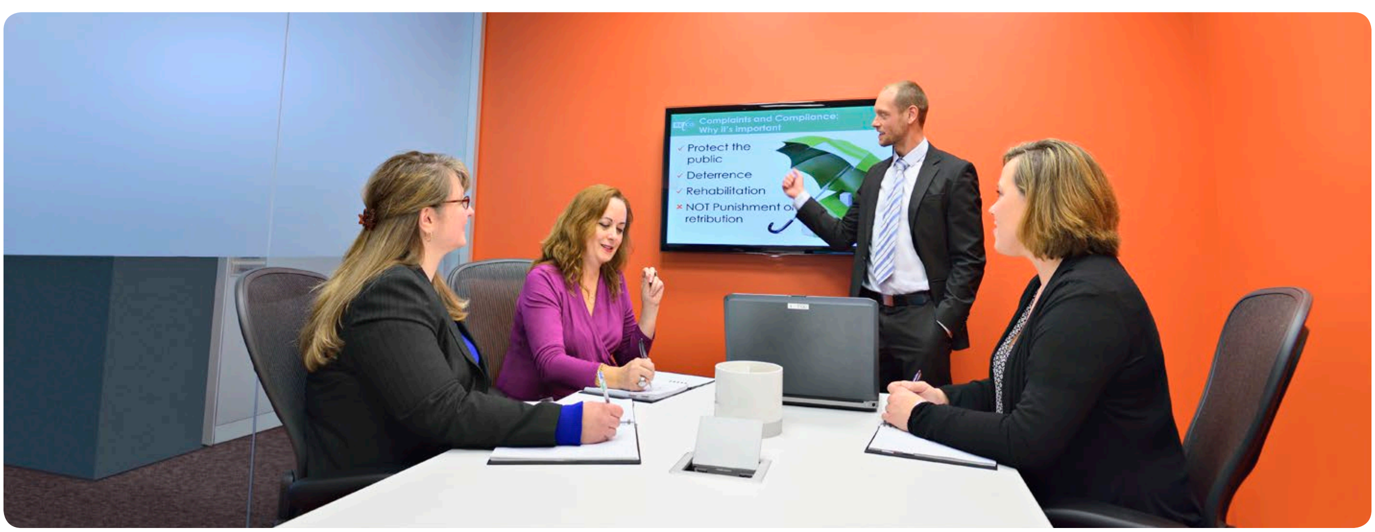
Interacted with over 2,500 people at consumer shows

Gave 34 presentations

Report on Objectives

Consumer priorities

OBJECTIVE	MEASURE
Increase public awareness of RECO, its role and the value of working with registrants	RECO launched two consumer campaigns aimed at reinforcing the benefits of working with a registered real estate professional and growing RECO's reputation as a trusted source for home buying and selling information. The first campaign leveraged Financial Literacy Month to raise awareness of RECO's top 10 home buying and selling pitfalls. The second campaign focused on new digital tools that encouraged Ontarians to "Be home smart" and use their head instead of their heart when buying or selling a home. RECO reached out to consumers at the *National Bridal Show* and *Canada's Bridal Show* to educate them about RECO's role and the benefits of working with a registered real estate professional. Staff distributed a targeted brochure explaining how to say "I do" to home ownership. RECO introduced the *Regulatory Digest*, an online resource that summarizes RECO's regulatory activity in one easy-to-read document on a quarterly basis. The publication increases awareness of how RECO enforces REBBA 2002 and makes enforcement actions more accessible.
Be the source of consumer protection education and information for real estate transactions	RECO published two consumer newsletter editions featuring engaging and informative topics. RECO conducted a needs assessment and issued an RFP for vendors to redesign the public website to make it more inviting and informative for consumers. RECO completed six presentations focused on educating law enforcement officers about mortgage fraud and RECO's regulatory activities. RECO engaged other organizations through a social media working group dedicated to financial literacy and fraud prevention. The group shared ideas for consumer outreach.
Improve service quality and relationships with consumers	RECO added staff to the Complaints, Compliance & Discipline department, enabling faster responses to consumer inquiries and swifter handling of complaint matters. RECO began using complaint mediation. In appropriate cases, the complainant and the registrant work with a mediator to reach a mutually acceptable resolution. The increased involvement of complainants in the complaints process has increased the potential for satisfaction.



Registrant priorities

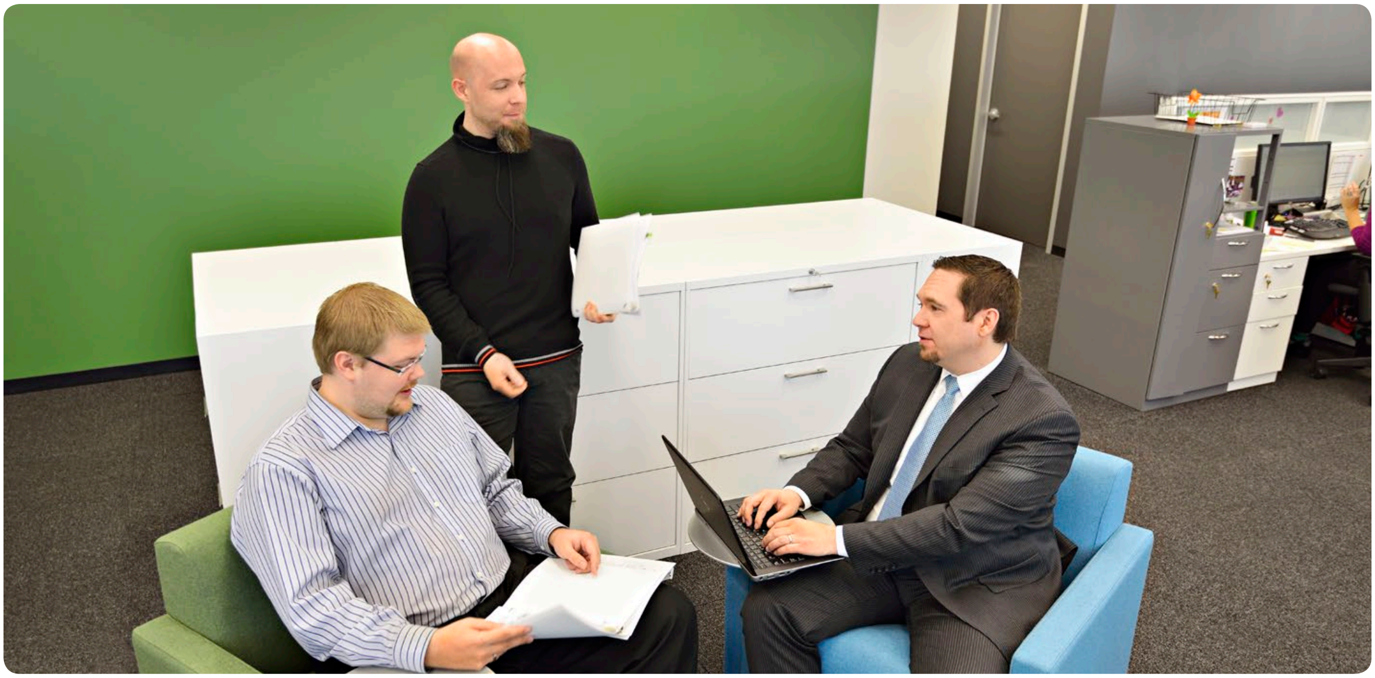
OBJECTIVE	MEASURE
Increase registrants' understanding of RECO and its role	RECO representatives engaged registrants face-to-face at 49 industry trade shows, 34 of which involved speaking engagements. Presentations to real estate boards and associations focused on RECO's new mandatory continuing education program as well as the investigations and inspections processes. RECO began distributing an electronic 'Welcome to RECO' package to educate new registrants about RECO's role and the tools and resources available to them on MyWeb and the public website. Quarterly registrant newsletters and bulletins on emerging issues were published, featuring timely and easily accessible information.
Enhance the knowledge and competence of real estate professionals	RECO launched a new online mandatory continuing education program on August 1, 2013, providing a two-year transition period. The new program focuses on regulatory matters, consumer protection and current industry issues. To date, more than 16,000 registrants have registered to fulfill their mandatory continuing education requirement through the new program. RECO began developing a series of videos to educate registrants on the importance of professionalism. The first two videos focus on record keeping and professional courtesy.
Improve service quality and relationships with registrants	Improvements to the RECO database provided a more responsive and reliable self-serve portal experience for registrants, particularly in regards to online payments during the insurance renewal period. To improve service levels, RECO modified the online renewal process to prevent a registrant from submitting an application with insufficient continuing education courses. RECO also implemented changes to the order that online renewals will be reviewed to ensure each application is complete and all requirements have been met. Moving from a queue based on renewal date to a first-come-first-served approach improved processing times for registrants who submit their application well in advance of their renewal date.

Stakeholder priorities

OBJECTIVE	MEASURE
Be proactive in supporting government and enhancing consumer protection	RECO continued to work closely with Ministry of Consumer Services staff with respect to proposed legislative and regulatory changes. RECO provided advice related to Ontario's *Condominium Act* Review, amendments to the *Electronic Commerce Act* and consultation on home inspector qualifications. RECO also supported Ministry consumer protection initiatives by participating in the Ministry's Public Education Committee and a Government and Community Services Fair hosted by a Toronto-area MPP. RECO has initiated a study to determine the merits of the self-insurance model for the insurance program. As RECO considers the positives and negatives of self-insurance the interests of registrants and consumers will be a top priority.
Continuance under the new *Canada Not-for-profit Corporations Act*	To accomplish the mandate given to it by the Ontario Government as a Delegated Administrative Authority (DAA), RECO is a federally-incorporated not-for-profit corporation. As such, its corporate governance and structure is governed by federal corporate legislation that was first enacted in 1917. This federal legislation had been largely unchanged since that time, so the federal government recently updated the law by enacting the *Canada Not-for-Profit Corporations Act* (NFP Act). RECO, like every federally-incorporated not-for-profit in the country, must conform to the NFP Act by October 17, 2014. At the same time, RECO must continue to comply with the terms set out in the provincial legislation that give RECO its powers as a DAA. At its 2014 Annual General Meeting (AGM), RECO will present new Articles of Continuance to replace its Letters Patent as well as changes to its by-laws. Approval of both by resolution at the AGM will bring RECO into compliance with the NFP Act.
French language services	French speaking staff are available during regular business hours to respond to all communications received in French. There have been six requests for French language service since RECO began tracking such requests in December 2013.

People priorities

OBJECTIVE	MEASURE
Ensure a qualified, skilled, stable and sustainable workforce	RECO began implementing recommendations brought forward by advisory groups consisting of staff and management to promote increased engagement of employees. Recommendations covered the areas of culture, compensation and talent management.
Shape a culture of excellence throughout the organization	Supported by regular training, RECO's inquiry department was able to effectively manage the phone queues, maintaining a call wait time of less than a minute even during high-volume periods. RECO held lunch and learn seminars to educate staff on how to identify the signs of mortgage fraud and other types of fraud. RECO commissioned a survey of registrants. A major component of the survey gauged registrants' satisfaction with RECO's services. The feedback was very positive: 92 per cent of respondents rated RECO's customer service as meeting or exceeding expectations.



Internal systems priorities

OBJECTIVE	MEASURE
Ensure reliable systems and processes for core business activities	The Business Process Review project was launched in fall 2013 with the objective of enhancing service excellence at RECO through redesigned and optimized business processes, and replacement of the RECOnet system. In 2013-2014, analysis work was finished and work to define future business processes and system requirements was nearly completed. The RECO database was optimized and enhanced to provide a more stable internal application for employees. Internal email and directory servers were upgraded to the latest versions in order to provide increased security, enhanced features and more system stability.
Embrace principles of continuous quality improvement throughout the organization	As part of RECO's focus on creating an innovative and solution-oriented culture, the organization is establishing an "Innovation Group" comprised of managers and staff to receive, assess, develop and bring forward innovative and practical solutions. Draft terms of reference have been developed and the group is expected to begin meeting in spring 2014.

Our financial priorities

OBJECTIVE	MEASURE
Allocate funds responsibly to support strategic and operational priorities and ensure the long-term financial stability and endurance of the organization	RECO's Board of Directors held its annual session to establish strategic and operational goals. Care is taken to ensure that budget allocations to specific strategic priorities will not negatively impact RECO's core activities.
Ensure accountability and transparency in the use of resources	RECO adhered to expense and procurement policies, consistent with the spirit and intent of government policies and practices. Audited financial statements are published each year in RECO's Annual Report. Three-year budget information is included in RECO's Strategic Business Plan.

Message from the Registrar

Joseph Richer
Registrar

New mission guides our success

Since I joined RECO a year and a half ago, I have developed a strong understanding of the issues the profession is facing by working day-to-day as Registrar and by meeting with registrants at local board and association events.

These events have provided me the opportunity to meet some of the many very professional and caring registrants who serve Ontario very well. These discussions have also demonstrated the passion registrants have for conducting themselves professionally and providing exceptional service to their clients and customers.

As a regulator, we must continue to strive to match that passion to achieve our own mission of *excellence in the delivery of regulatory services that protect the public interest and enhance consumer confidence in the real estate profession*. We need to continue to be mindful that the quality of the services we provide also reflects on the profession as a whole.

I am very pleased with the open communication that exists between the boards and associations and RECO. Despite our differing mandates, strong working relationships are imperative to our respective success.

This 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.

Promoting professionalism

In June 2013, RECO introduced new mission and vision statements that shift from the term "industry" to "profession." This marks an important evolution in how we talk about, and think about, what we do as the regulator. The new vision and mission statements also reflect RECO's commitment to excellence in regulatory services with a focus on protecting Ontario's homebuyers and sellers.

When it comes to quality of service, I'm pleased to report that the bar is already quite high. During 2013–2014, RECO opened 1,541 complaints. When you consider the number of registrants and the number of transactions that take place each year, it's clear that the vast majority of registrants are conducting themselves in a professional manner and serving their clients' best interests.

Successful launch of new continuing education program

A fundamental component of professionalism is a solid understanding of the *Real Estate and Business Brokers Act, 2002* (REBBA 2002) and its regulations, including the Code of Ethics. RECO took an important step to reinforcing this strong foundation for the profession by launching the new mandatory continuing education program on August 1, 2013. Delivered online and administered directly by RECO, the program focuses specifically on RECO's mandate of regulatory compliance, consumer protection and current sector issues. During a two-year transition period, registrants have the option of choosing whether to fulfill their continuing education requirement using the new program, or the original program. The response has been strong with more than 16,000 registrants completing 32,015 courses under the new program over the first eight months.

Naturally, some registrants voiced apprehension about shifting to the online program. However, after completing the online program, many of those same people report that the online program was easy to navigate and much more interactive than they thought it would be. When asked to rate the program, 88 per cent report being satisfied with the navigation and over 93 per cent agreed that the course content is relevant, interesting and easy to follow. Though the program provides the cornerstone for maintaining currency of regulatory knowledge, individuals must take ownership of the additional personal and professional development necessary to be a successful professional.

The results of the 2013 registrant survey suggest RECO is doing a good job, with 92 per cent of respondents rating RECO's customer service as meeting or exceeding expectations.

Commitment to service excellence

RECO expects a high level of professionalism and client service from registrants, so it's only fair that RECO strives for the same level of excellence from itself. Every two years, RECO conducts a registrant survey to see how services are measuring up to expectations. The survey helps us determine how we can enhance service levels. The results of the 2013 registrant survey suggest RECO is doing a good job, with 92 per cent of respondents rating RECO's customer service as meeting or exceeding expectations.

While the findings are encouraging, RECO remains committed to enhancing service excellence by finding efficiencies and being responsive to registrant needs. In March, RECO responded to delays in registration renewals by changing the order in which online renewals are processed. It's a change that immediately improved turnaround times and provided better service to registrants.

Focus on transparency

Over the past year, RECO has also taken significant steps to make regulatory decisions more accessible. RECO began employing mediation as an alternate response to address complaints. RECO successfully mediated 48 complaints during the fiscal year, giving complainants greater involvement and improving their satisfaction with both an agreed resolution and RECO's services. Mediation also saves resources by resolving minor concerns without having a decision imposed on the parties.

RECO expects a high level of professionalism and client service from registrants, so it's only fair that RECO strives for the same level of excellence from itself.

RECO also introduced the *Regulatory Digest*, an online resource that summarizes RECO's regulatory activity quarterly in one easy-to-read document. The purpose of the publication is to make prosecution, mediation and disciplinary outcomes more accessible, increase awareness of how RECO enforces REBBA 2002, and demonstrate the consequences of violating REBBA 2002.

Priorities for the year ahead

While the past year has been very productive, there is still much to be done. In 2014-2015, RECO will continue improving the new mandatory continuing education program by working to introduce new elective courses. Registration education is also a priority, and during the year RECO will complete a review of how it is structured.

The growing profession — 50 per cent more registrants than a decade ago — has put increasing demand on RECO registration services. RECO will strive to enhance the types of services it offers, as well as the quality with which they are delivered.

RECO is also committed to ensuring that the complaints and discipline processes are effective and efficient. In the coming year we will work on developing a quality assurance program for the regulatory compliance processes, which will include reviewing correspondence and asking those who go through the processes to provide their feedback in surveys.

To take advantage of available technology to provide current information to registrants and those they deal with, this year RECO will introduce a new paperless registration certificate that will enable registrants to use their mobile phones to display their registration status. The mobile app facilitates access to real time information about the registrant's registration status.

In closing, I would like to thank Tom Wright, RECO's President/CEO, for the guidance and support he has provided since my arrival at RECO in September 2012. During that time, I have discovered that RECO's success over the past 17 years has been in large part thanks to Tom's vision and commitment to the real estate profession. His efforts have helped pave the way for RECO's success for years to come. I wish him well as he plans to move on to the next phase of his career in the coming months.

Joseph Richer
Registrar

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

Effective December 12, 2013, Section 36(1) of REBBA 2002 was amended.

Previously, under Section 36(1) of REBBA 2002, brokerages could charge a flat fee, or a percentage of the sale price, but not a combination of the two. Amendments to REBBA 2002 have removed the restriction, so brokerages now have the flexibility to negotiate fee arrangements that include a combination of a flat fee and a percentage of the sale price.

During the 2013–2014 fiscal year, compliance staff responded to **24,403** inquiries:

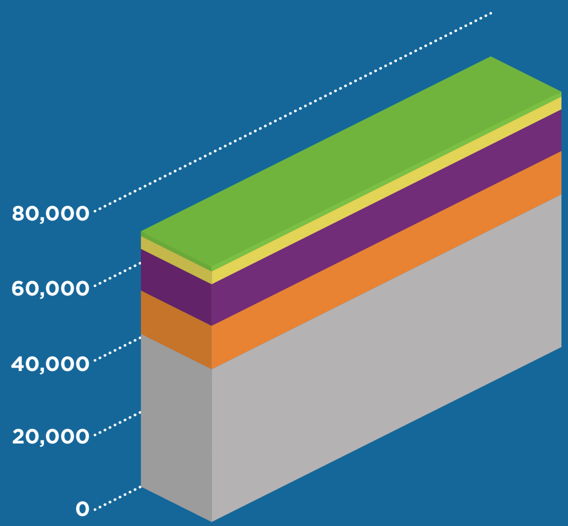
185 written inquiries

7,750 emails

16,468 phone calls

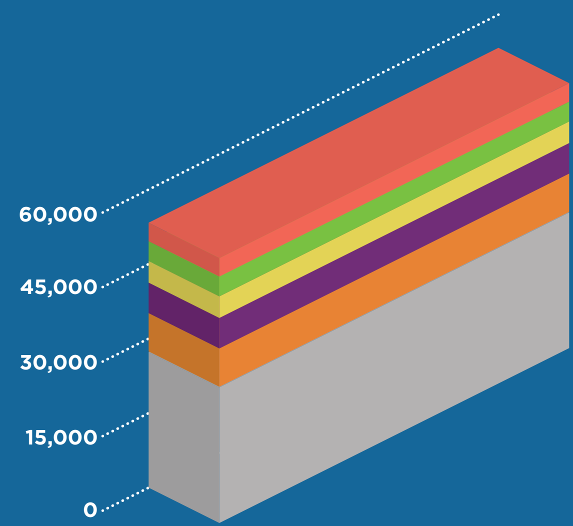
Performance Review

Total registrants by category
(68,575)



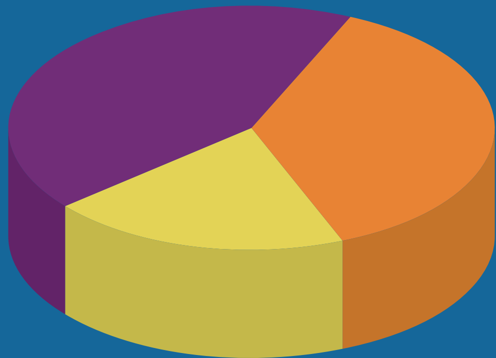
- **Salespersons** (40,988)
- **Brokers** (11,676)
- **Provisional salespersons** (11,204)
- **Brokerages (corporations, partnerships and sole proprietors)** (3,439)
- **Branch offices** (1,268)

Registration transactions by type
(53,430)



- **Renewals** (27,376)
- **Transfers** (7,804)
- **New registrations** (6,161)
- **Terminations** (4,351)
- **Revisions** (4,004)
- **Reinstatements** (3,734)

Continuing education program renewals
(August 1, 2013–March 31, 2014)



- **New program** (43%)
- **Original program** (37%)
- **Combination (new and original)** (20%)

RECO is committed to protecting the public interest and enhancing consumer confidence in the real estate profession. This is accomplished through the day-to-day regulation of Ontario's more than 68,000 real estate registrants.

RECO protects the public interest by regulating the trade of real estate in Ontario, which includes several responsibilities:

- 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 helping registrants provide 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 registrations of businesses, brokers and salespersons;
- renewals;
- reinstatements;
- broker and salesperson transfers and terminations; and
- name and category changes.

In addition, registration services maintains the registrant database and delivers 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 68,575, a 22 per cent increase in total registrants over the past five years.

In 2013–2014 there were 6,161 new registrations processed, a 2.6 per cent increase over the previous year.

Registration staff processed a total of 53,430 transactions in 2013–2014 including processing new business and new broker/salesperson registrations, renewals, reinstatements, transfers, terminations, and revisions.

The online registration renewal service continues to be tremendously successful with more than two thirds of all registrants completing their renewals online. In order to provide more responsive service, RECO revised its process in 2013–2014. Previously, RECO processed online renewals based on the registrant's renewal date. Moving to a first-come-first-served approach provides registrants who submit their application well in advance of the expiry date with much improved processing times.

The online transfer and termination service continues to gain momentum with 47 per cent of transfers completed online, compared to 36 per cent in 2012-2013. The proportion of terminations completed online dropped slightly during the same period, from 45 per cent to 40 per cent.

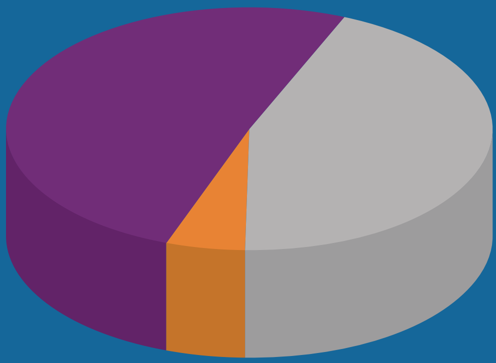
Education

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.

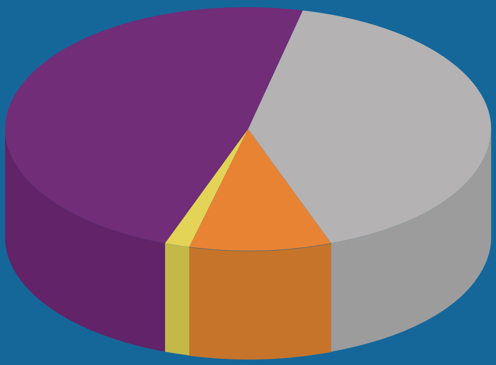
Since 2000, RECO's mandatory continuing education program has ensured that real estate brokers and salespersons have the skills and knowledge necessary to serve their clients and customers. On August 1, 2013,

RECO complaints processed
(1,528)



- **No action** (50.7%)
  - Complaint dismissed (47.4%)
  - Complaint withdrawn (3.3%)
- **Administrative action** (44.2%)
  - Written warning (27.2%)
  - Written warning and course (8.0%)
  - Written warning and corrective action (5.5%)
  - Written warning, course and corrective action (0.1%)
  - Mediation (3.4%)
- **Referred to Legal, Registration or Investigations** (5.1%)

RECO conducted inspections
(1,298)



- **Routine** (626)
- **Reconciliation** (529)
- **Courtesy** (122)
- **Complaint-based** (21)

Complaint trends

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

During the 2013–2014 fiscal year, the most common complaints related to:

12%
Advertising

9%
Misrepresentation

8%
Disclosure

7%
Conscientious and competent service

3%
Duty to client

RECO enhanced mandatory continuing education by launching a new online program that is administered directly by RECO. The program features cutting-edge learning technology and focuses on the topics that are most important: current industry issues, regulatory matters and issues related to consumer protection.

During a two-year transition period, the new program and the original program continue to run in parallel. Registrants renewing their registration before July 31, 2015 can choose to meet their continuing education requirement under the new program or the original program.

Under the original program, registrants must complete a RECO Real Estate Update Course and 18 elective credits offered by third-party education providers.

Under the new program registrants must complete a RECO Real Estate Update Course and two elective courses provided directly by RECO. Five elective courses are available. Work continues on adding additional elective courses as well as updating existing courses.

Since launch on August 1, 2013, 43 per cent of registration renewals have been under the new continuing education program, while 37 per cent have been under the original program. During the transition period, RECO also allows registrants to combine portions of the new program and the original program, an option chosen in 20 per cent of renewals.

Each time a registrant completes a course, they are asked about their experience. Since launch, 93 per cent agreed that the course content was interesting and easy to follow and 96 per cent agreed that the content was relevant to their real estate practice.

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.

RECO conducted 1,298 inspections in 2013–2014. Of these, 626 were routine inspections, 122 were courtesy inspections, 21 were complaint-based inspections and 529 were reconciliation inspections.

Complaints

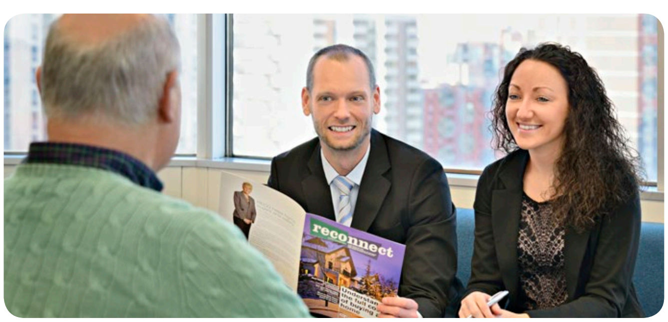
Addressing inquiries, concerns and complaints about the conduct of registrants received from all sources and taking appropriate action to protect the public interest

Registrants are required to conduct themselves and their businesses according to the requirements of REBBA 2002 and its regulations. These requirements protect consumers when they complete 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 education courses.
- The Registrar may attempt to mediate or resolve the complaint.
- The Registrar may apply voluntary conditions to a registration, with the registrant's consent.
- 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.
- 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.
- Matters involving alleged breaches of the Code of Ethics may be referred to a hearing in front of the Discipline Committee.
- 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).



During the fiscal year, 1,541 complaint files were opened and 1,528 complaint files were processed (see charts breakdown on page 22). 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 files, 61 per cent originated with a consumer complaint, 38 per cent originated with a registrant complaint, and the remaining one per cent were opened for other reasons.

Compliance staff speak with registrants and consumers about ethical issues or potential complaints on a daily basis. During the 2013–2014 fiscal year, compliance staff responded to 24,403 inquiries including 16,468 phone calls, 7,750 emails and 185 written inquiries. This represents an increase of 30 per cent in the number of inquiries responded to over the previous year.

Administrative regulatory actions

In 2013–2014, the Registrar took administrative regulatory action, such as imposing conditions on registration or issuing a reprimand in 579 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 in situations 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 2013–2014, the Registrar issued proposals to refuse or revoke 11 registrations compared with 18 the year before. Additionally, 33 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 26.

Investigations

RECO investigates alleged violations of REBBA 2002 and associated regulations.

RECO opened 139 investigations in 2013–2014, while 142 investigations were closed. RECO's investigative work led to 93 individual charges and 24 prosecutions in the Ontario Court of Justice.

These prosecutions resulted in 21 convictions and imposed fines totaling $375,750. Additionally, the courts imposed a total of $102,780 in restitution payments 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 and a potential prison term of two years. 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 29.

Investigations

RECO investigations led to:

93 charges

21 convictions

$375,750 imposed fines

$102,780 in restitution payments

72 months probation sentenced

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 17 investigations and closed 21 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.

Summary of Enforcement Activities

Regulatory activity (April 1, 2013 to March 31, 2014)

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.

Discipline and Appeals panel decisions are public information and 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.

2013

Decision Date	Registrant	Issue/Decision
June 6	**MUNIR ILYAD AHMAD** Richmond Hill	On November 29, 2011, the Registrar issued a Notice of Proposal to revoke the registration of Munir Ahmad. Mr. Ahmad requested a hearing before the Licence Appeal Tribunal. On January 21, 2013, at the commencement of the hearing, Mr. Ahmad withdrew his appeal and the Licence Appeal Tribunal ordered the Registrar to revoke his registration.
June 14	**DOMENIC MANICAPELLI** Toronto	On June 8, 2012, the Registrar issued a Notice of Proposal to revoke the registration of Domenic Manicapelli. Mr. Manicapelli requested a hearing before the Licence Appeal Tribunal. On May 30, 2013, the Licence Appeal Tribunal ordered the Registrar to revoke the registration of Mr. Manicapelli.

July 30	**JASWANT S. SEKHON ALSO KNOWN AS JAS SEKHON** Brampton	On May 22, 2012, the Registrar issued a Notice of Proposal to revoke the registration of Mr. Sekhon. Mr. Sekhon requested a hearing before the Licence Appeal Tribunal. After a hearing, the Licence Appeal Tribunal ordered the Registrar to carry out his proposal to revoke to the registration of Mr. Sekhon. This matter was appealed at the Divisional Court and on March 17, 2014, the Divisional Court directed the matter back to the Licence Appeal Tribunal for a re-hearing on the Proposal. Mr. Sekhon is not currently registered to trade in real estate.
August 15	**KELLY DA COSTA** Cambridge	On September 19, 2012, the Registrar issued a Notice of Proposal to revoke the registration of Mr. Da Costa. Mr. Da Costa requested a hearing before the Licence Appeal Tribunal. After a hearing, the Licence Appeal Tribunal ordered the Registrar to carry out his proposal to revoke to the registration of Mr. Da Costa. Mr. Da Costa appealed the decision of the Licence Appeal Tribunal to the Divisional Court and on November 14, 2013, the Divisional Court directed the matter back to the Licence Appeal Tribunal for a re-hearing on the proposal. At this time Mr. Da Costa is not registered to trade in real estate.
September 23	**FILIPPO COCCHIARA OPERATING AS BRAEMAR REALTY** Hamilton	On September 3, 2013, the Registrar issued a Notice of Proposal to revoke the registration of Filippo Cocchiara for non-payment of insurance. Mr. Cocchiara did not request a hearing before the Licence Appeal Tribunal. On September 23, 2013, the Registrar carried out his Proposal to revoke the registration of Mr. Cocchiara operating as Braemar Realty.
September 23	**ROBERT WILLIAM KUTSCHKE ALSO KNOWN AS BOB KUTSCHKE** Pembroke	On September 3, 2013, the Registrar issued a Notice of Proposal to revoke the registration of Robert Kutschke for non-payment of insurance. Mr. Kutschke did not request a hearing before the Licence Appeal Tribunal. On September 23, 2013, the Registrar carried out his Proposal to revoke the registration of Mr. Kutschke.
September 23	**KENNETH G. MILBURN** Windsor	On September 3, 2013, the Registrar issued a Notice of Proposal to revoke the registration of Kenneth Milburn for non-payment of insurance. Mr. Milburn did not request a hearing before the Licence Appeal Tribunal. On September 23, 2013, the Registrar carried out his Proposal to revoke the registration of Mr. Milburn.
September 23	**PAUL KARAKATSANIS** North York	On September 3, 2013, the Registrar issued a Notice of Proposal to revoke the registration of Paul Karakatsanis for non-payment of insurance. Mr. Karakatsanis did not request a hearing before the Licence Appeal Tribunal. On September 23, 2013, the Registrar carried out his Proposal to revoke the registration of Mr. Karakatsanis.
September 23	**JOHN MENYES** Waterloo	On September 3, 2013, the Registrar issued a Notice of Proposal to revoke the registration of John Menyes for non-payment of insurance. Mr. Menyes did not request a hearing before the Licence Appeal Tribunal. On September 23, 2013, the Registrar carried out his Proposal to revoke the registration of Mr. Menyes.
September 25	**COM SAVE REALTY INC.** Burlington	On September 6, 2013, the Registrar issued a Notice of Proposal to revoke the registration of Com Save Realty Inc. as a brokerage for non-payment of insurance. The brokerage did not request a hearing before the Licence Appeal Tribunal. On September 23, 2013, the Registrar carried out his Proposal to revoke the registration of Com Save Realty Inc.

September 25	**LPYS REALTY INC.** Mississauga	On September 6, 2013, the Registrar issued a Notice of Proposal to revoke the registration of LPYS Realty Inc. as a brokerage for non-payment of insurance. The brokerage did not request a hearing before the Licence Appeal Tribunal. On September 23, 2013, the Registrar carried out his Proposal to revoke the registration of LPYS Realty Inc.
September 25	**TRADEMARK REALTY LTD.** Nobleton	On September 6, 2013, the Registrar issued a Notice of Proposal to revoke the registration of Trademark Realty Ltd. as a brokerage for non-payment of insurance. The brokerage did not request a hearing before the Licence Appeal Tribunal. On September 23, 2013, the Registrar carried out his Proposal to revoke the registration of Trademark Realty Ltd.
September 25	**PROMAR CAPITAL CORP.** Mississauga	On September 6, 2013, the Registrar issued a Notice of Proposal to revoke the registration of Promar Capital Corp. as a brokerage for non-payment of insurance. The brokerage did not request a hearing before the Licence Appeal Tribunal. On September 23, 2013, the Registrar carried out his Proposal to revoke the registration of Promar Capital Corp.
September 25	**INDERSON REALTY LTD.** Brampton	On September 6, 2013, the Registrar issued a Notice of Proposal to revoke the registration of Inderson Realty Ltd. as a brokerage for non-payment of insurance. The brokerage did not request a hearing before the Licence Appeal Tribunal. On September 23, 2013, the Registrar carried out his Proposal to revoke the registration of Inderson Realty Ltd.
September 25	**ANGEL REALTY INC.** Bridgenorth	On September 6, 2013, the Registrar issued a Notice of Proposal to revoke the registration of Angel Realty Inc. as a brokerage for non-payment of insurance. The brokerage did not request a hearing before the Licence Appeal Tribunal. On September 23, 2013, the Registrar carried out his Proposal to revoke the registration of Angel Realty Inc.
September 25	**WM. WILSON REAL ESTATE LTD.** Toronto	On September 6, 2013, the Registrar issued a Notice of Proposal to revoke the registration of WM. Wilson Real Estate Ltd. as a brokerage for non-payment of insurance. The brokerage did not request a hearing before the Licence Appeal Tribunal. On September 23, 2013, the Registrar carried out his Proposal to revoke the registration of WM. Wilson Real Estate Ltd.

2014

Decision Date	Registrant	Issue/Decision
January 8	**SATINDER PAL SINGH SANGA** Brampton	On November 28, 2013, the Registrar issued a Notice of Proposal to revoke the registration of Satinder Sanga. Mr. Sanga did not request a hearing before the Licence Appeal Tribunal. On January 8, 2014, the Registrar carried out his Proposal to revoke the registration of Mr. Sanga.
February 7	**ALI SULIMAN SLEIMAN** Ottawa	October 23, 2013, the Registrar issued a Notice of Proposal to revoke the registration of Ali Sleiman. On February 7, 2014, Mr. Sleiman withdrew his appeal before the Licence Appeal Tribunal. On February 7, 2014, the Registrar carried out his Proposal to revoke the registration of Mr. Sleiman.

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.

2013

Registrant	Details
MOHAMMAD REZA GHAZVINI Vaughan	On April 5, 2013, Mohammad Ghazvini pled guilty to one (1) count of furnishing false documents in relation to a trade in real estate. Mohammad Ghazvini was fined $5,000.
WASEEM SATTAR KHAN Mississauga	On June 4, 2013, Waseem Khan pled guilty to one (1) count of failure to notify the Registrar in writing within five (5) days of a change to information that he previously provided on an application for registration; and one (1) count of trading in real estate as a salesperson, without the benefit of registration, while his registration was under suspension by order of the Registrar for non-payment of insurance. Waseem Khan was fined $6,000 in total.
SAM STOGIANNES Hamilton	On June 18, 2013, Sam Stogiannes pled guilty to one (1) count of trading in real estate as a salesperson without the benefit of registration while his registration was under suspension by order of the Registrar for non-payment of insurance. Sam Stogiannes was fined $5,000.
ALEX SERABIAN Scarborough	On June 24, 2013, Alex Serabian was found guilty of one (1) count of failing to notify the Registrar of a change of information included in an application within five (5) days. Alex Serabian was fined $3,500.
DAVINDER SINGH GILL (DAVE GILL) Mississauga	On July 17, 2013, Davinder Gill pled guilty to one (1) count of furnishing false information in an application for registration, by falsely reporting the completion of required continuing education courses when in fact he had not done so. He was fined $5,000.
SCOTT MACINNES Ottawa	On July 25, 2013, Scott MacInnes pled guilty to one (1) count of trading in real estate while unregistered and was fined $5,000.
PARAMJIT SINGH BIRDI Mississauga	On June 13, 2013, Paramjit Birdi, was tried and convicted on two (2) counts of falsifying information relating to a trade in real estate; and two (2) counts of furnishing false information or documents relating to a trade in real estate. On September 12, 2013, Paramjit Birdi was sentenced and fined in total $6,000.
GRAYDON HILL REALTY LTD. Toronto	On November 14, 2013, Graydon Hill Realty Ltd. pled guilty to one (1) count of failing to immediately deposit sufficient funds into the trust account to eliminate a shortfall. Graydon Hill Realty Ltd. was fined $250,000.
DAVID ALLEN Toronto	On November 14, 2013, David Allen, pled guilty to one (1) count of failing to ensure that the brokerage, Graydon Hill Realty Ltd., immediately deposited sufficient funds into the trust account to eliminate a shortfall. David Allen was fined $20,000 and ordered to pay $100,000 in restitution.

DANNY DHALIWAL Toronto	On November 18, 2013, Danny Dhaliwal, pled guilty to 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 for registration. Danny Dhaliwal was fined $2,000.
CLAUDIO MASTRONARDI Toronto	On November 18, 2013, Claudio Mastronardi pled guilty to one (1) count of furnishing false information in an application and one (1) count of failing to notify the Registrar of a change of information included in an application within five (5) days. Claudio Mastronardi was fined a total of $4,500.
CHARLES AREKHANDIA AZIEGBEMHIN Toronto	On December 5, 2013, Charles Aziegbemhin pled guilty to three (3) counts of failing to ensure, as a broker of record, that the brokerage Reccmox Realty Inc. complied with the Act; and one (1) count of failing to review, sign and date the trust account reconciliation statements for the trust account maintained by Reccmox Realty Inc., within the prescribed time. Charles Aziegbemhin was fined $16,000 in total and placed on probation for two (2) years.
RECCMOX REALTY INC. Toronto	On December 5, 2013, Reccmox Realty Inc., pled guilty to one (1) count of failing to deposit into the statutory trust account, all money that came into the brokerage's hands in trust for other persons in connection with the brokerage's business; one (1) count of failing to prepare trust account reconciliation statements; one (1) count of failing to make an accurate written record identifying every deposit and disbursement from the trust account; and one (1) count of failing to make complete and accurate trade record sheets. Reccmox Realty Inc. was fined $16,000 in total.
ALLAN DOUGLAS SHEPHEARD (Al Shepheard) Ottawa	On December 18, 2013, Allan Shepheard, pled guilty to 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 falsifying information relating to a trade in real estate; and one (1) count of furnishing false information in relation to a trade in real estate. Allan Shepheard was fined a total of $24,000 and placed on probation for two years. One of the terms of the probation order was that he pay $2,780 in restitution.

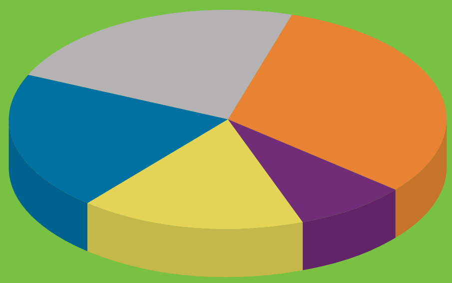
2014

Registrant	Details
RACHELLE BRECKLES Burlington	On January 14, 2014, Rachelle Breckles, pled guilty to one (1) count of furnishing false information in an application for registration, by falsely reporting the completion of required continuing education courses; when in fact she had not done so. She was fined $1,750.
MIKE SHIRALIAN Toronto	On February 3, 2014, Mike Shiralian, being a broker of record, pled guilty to two (2) counts of failing to ensure that his brokerage complied with the Act by failing to ensure his brokerage maintained, in Ontario, an account designated as a real estate trust account; and by failing to ensure his brokerage prepared trust account reconciliation statements for the real estate trust account. Mike Shiralian was given a suspended sentence.

NATHANIEL CHINWEZE OKOROAFOR (Nath Okoroafor) Toronto	On February 10, 2014, Nathaniel Okoroafor, pled guilty to one (1) count of failing to use his best efforts to deliver a copy of an agreement to the brokerage that employs him at his earliest practicable opportunity; and pled guilty to one (1) count of accepting commission or other remuneration for trading in real estate from a person other than the brokerage who is registered as his employer. Nathaniel Okoroafor was fined a total of $4,500.
DAT MAI London	On March 10, 2014, Dat Mai, pled guilty to one (1) count of failure to notify the Registrar in writing within five (5) days of a change to information that he previously provided on an application for registration. Dat Mai was fined $1,500.
TRILLION REALTY INC. Richmond Hill	Trillion Realty Inc. pled guilty to one (1) count of failing to make a written record of receipt of trust money that came into the brokerage, in connection with the brokerage's business, and of every transaction relating to that money; and one (1) count of failing to prepare trade record sheets for trades in real estate conducted by the brokerage. Trillion Realty Inc. was fined $12,000 in total.
JEFFREY KAR KWONG LAU Richmond Hill	Jeffrey Lau pled guilty to one (1) count of furnishing false information in application; one (1) count of failing to notify the Registrar in writing within five days of change in information included in application; and one (1) count as broker of record, failing to ensure that Trillion Realty Inc., complied with the requirement to prepare trust reconciliation statements. Jeffrey Lau was fined $12,500 in total.

Insurance Program

Claims by value of transaction

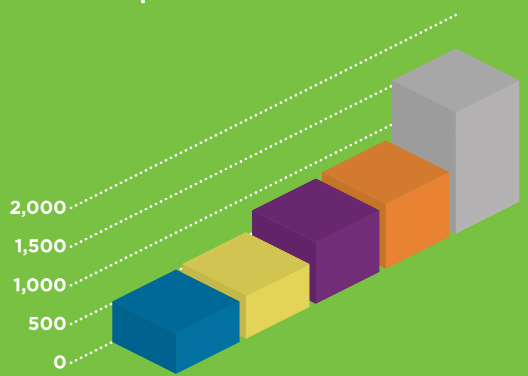


- **$0–$150,000** (885)
- **$150,000–$250,000** (1,743)
- **$250,000–$500,000** (2,145)
- **$500,000–$1,000,000** (2,406)
- **$1,000,000+** (3,273)

Claims by transaction type
Commercial vs. Residential

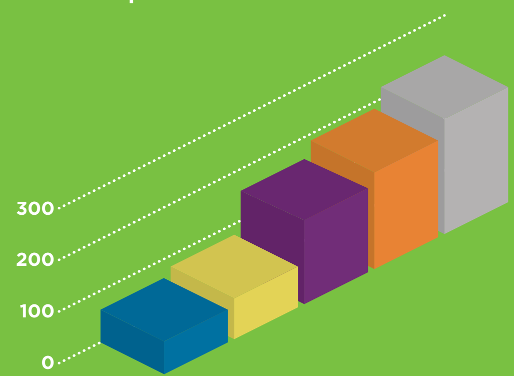
- **Residential** (8,566)
- **Commercial** (1,715)
- **Other** (171)

Top 5 causes of loss – Urban



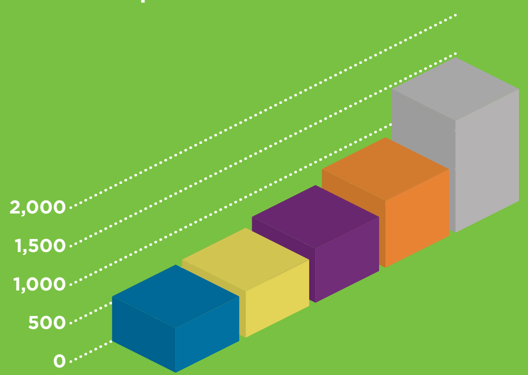
- **Financial/mortgage** (525)
- **Structural** (557)
- **Foundations** (798)
- **Incomplete sale** (837)
- **Miscommunication/non-disclosure** (1,569)

Top 5 causes of loss – Rural



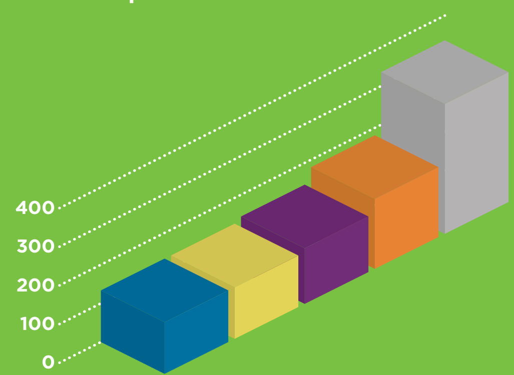
- **Structural** (64)
- **Foundations** (79)
- **Septic/environmental** (157)
- **Well/water** (187)
- **Miscommunication/non-disclosure** (223)

Top 5 causes of loss – Residential



- **Septic/environmental** (578)
- **Structural** (601)
- **Incomplete sale** (700)
- **Foundations** (869)
- **Miscommunication/non-disclosure** (1,455)

Top 5 causes of loss – Commercial



- **Deposit** (133)
- **Leasing/income** (133)
- **Tax (including hst/gst)** (145)
- **Incomplete sale** (181)
- **Miscommunication/non-disclosure** (336)

Protection for consumers—protection for registrants

RECO's Insurance Program was introduced on September 1, 2000 in order to provide protection to both consumers and registrants. All registrants are required to participate in RECO's Insurance Program which consists of three valuable 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 & omissions committed in the course of their professional services lead to claims made against them.
- Commission Protection coverage protects registrants from loss of commission caused by fraud, misappropriation of funds or insolvency of a brokerage.

Claims statistics and trends

Consumer Deposit Insurance Policy

From inception of the program on September 1, 2000 to February 28, 2014, there have been 54 Occurrences under the Consumer Deposit coverage. Payment of claims (settlements and expenses) under this coverage is estimated to reach $3,762,852.

Commission Protection Insurance Policy

From inception of the program on September 1, 2000 to February 28, 2014, there have been 107 Occurrences under the Commission Protection coverage. Payment of claims (settlements and expenses) under this coverage is estimated to reach $4,205,630.

Errors and Omissions Insurance Policy

From inception of the Program on September 1, 2000 to February 28, 2014, there have been 10,452 claims reported. The estimated total cost of claims settlements and expenses under this coverage is estimated to reach $94,008,026*.

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

Key statistical highlights include:

The majority of activity in the Program arises out of claims under the Errors and Omissions insurance coverage.

- A total of 10,452 claims have been reported—of which 1,273 remain open. The program has closed slightly more claims than were opened over the 12 month period ending February 2014. The program has therefore managed, and closed, a total of 9,179 claims on behalf of registrants to-date.
- Residential claims outnumber commercial claims by a margin of 5:1 (including vacant land and agricultural as commercial, otherwise the ratio is closer to 7:1).
- Urban located claims outnumber rural located claims by a margin of 7:1.
- Approximately 56 per cent of claims involve transactions which exceed $250,000 in value.
- In the 2013 policy year (based on expiry date), the number of Errors and Omissions claims reported declined slightly over the prior year with 995 claims reported, as compared to 1,013 in 2012

Management Discussion and Analysis

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, 2014 and the comparative figures for the year ended March 31, 2013.

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 (OREA) represent a significant source of revenues. The advance payments 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—this agreement ended in July 2013. In August 2013, RECO launched the RECO Mandatory Continuing Education (MCE) program, which delivers MCE directly to registrants.

Other sources of revenue include transfer fees, fines 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 general operating funds. 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 $1,096,457 or 7%. Most of this increase was due to registration revenues, which were higher by $705,817, or 6%, as a result of new or reinstating registrants in fiscal 2013 and 2014. Education revenues were higher by $314,517 due in large part to the launch of the RECO MCE program in August 2013, offsetting lower amounts required under the Education Services Agreements between RECO and OREA. Other income was higher by $76,123 due to an increase in the number of transfers.

Expenses

Total expenses increased by $655,411 or 5%. Operating expenses increased by $1,071,934 or 10% from $14,466,974 in fiscal 2013 to $15,132,385 in fiscal 2014. Education accounted for $761,402 of the increase due to consulting, development and other costs associated with the launch of the MCE program. The remaining increase of $310,532 is due primarily to the net increase in staffing costs throughout the operating departments. Board and committee per diem and meeting costs were higher by $23,993 mostly as a result of higher travel costs. Other corporate expenses such as communications activities, consulting costs, election costs, the government fee under the Administrative Agreement, and amortization were lower by $430,516. Communications activities were lower by $631,106 as the television consumer ad campaign was completed. This was offset by increases in the amortization of capital and intangible assets, credit card discounts, consulting and other costs.

Interest

Interest earned increased by $18,787 from $229,332 in fiscal 2013 to $248,119 in fiscal 2014.

Net Current Assets

Net current assets, which exclude deferred liabilities, were $19,581,434 at March 31, 2014 compared to $17,707,278 at March 31, 2013.

Net Income and Accumulated Fund Balance

Net income for the year was $1,206,013 compared to $756,180 in fiscal 2013. This income resulted in an accumulated fund balance of $10,398,201 compared to $9,192,188 in fiscal 2013.

Insurance program

Premium Fund

Recognized premium revenues increased by $2,498,881 or 13%, from $19,112,479 in fiscal 2013 to $21,611,360 in fiscal 2014. This resulted from an increase in the number of subscribers to the program 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 increased by $34,879 or 5% from $767,663 in fiscal 2013 to $802,542 in fiscal 2014. This was due to an increase in the number of subscribers. Interest allocated to this fund was $195,472 compared to $187,851 in fiscal 2013. No expenses are charged to this fund.

Insurance Administration Fund

Recognized contributions to the insurance administration fund decreased by $27,888 or 3%, from $912,471 in fiscal 2013 to $884,583 in fiscal 2014. Although there were more subscribers to the program, the contribution rate was reduced to $13.19 from $14.60. Interest income allocated to the insurance administration fund was $100,690 compared to $96,770 in fiscal 2013. Miscellaneous income decreased by $6,385 as suspension fees were lower.

Insurance administration expenses increased overall by $106,570 or 10%. Increases occurred in credit card discounts, consulting costs, and the insurance department totaling $142,570; however, printing, processing and other costs were lower by $36,000.

Net Income and Accumulated Fund Balance

All premiums collected under the program are payable to the insurer. As a result, net income for the premium fund was nil for fiscal 2014, compared to the nominal amount of $35 for fiscal 2013; net income for the stabilization fund was $998,014 for fiscal 2014 compared to $995,514 for fiscal 2013; net loss in the insurance administration fund was $54,304 for fiscal 2014 compared to net income of $82,619 in fiscal 2013. At March 31, 2014, the accumulated fund balances were: $54,383 in the premium fund; $16,030,424 in the premium stabilization fund; and $535,713 in the insurance administration fund.

Net Current Assets

Net current assets, excluding deferred revenues and prepaid premiums, were $17,945,898 at March 31, 2014 compared to $16,980,030 at March 31, 2013.

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.

Auditor’s Report

May 15, 2014

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 statement of financial position as at March 31, 2014 and the statements of operations and cumulative operations and insurance program fund balances and cash flows for the year then ended, 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 audit. We conducted our audit 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 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, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants
Toronto, Ontario, Canada

Statement of Financial Position

	Operations Fund		Insurance Program Funds		Total	
As at March 31, 2014	**2014**	2013	**2014**	2013	**2014**	2013
Assets	**$**	**$**	**$**	**$**	**$**	**$**
Current Assets						
Cash	**1,058,655**	1,064,575	**267,955**	961,996	**1,326,610**	2,026,571
Short-term investments (note 2)	**19,043,075**	16,865,422	**18,158,840**	16,489,757	**37,201,915**	33,355,179
Accounts receivable	**470,860**	495,064	**121,341**	91,042	**592,201**	586,106
Prepaid insurance premiums	**—**	—	**8,786,144**	7,926,750	**8,786,144**	7,926,750
Deposits and prepaid expenses	**307,803**	286,640	**—**	—	**307,803**	286,640
	20,880,393	18,711,701	**27,334,280**	25,469,545	**48,214,673**	44,181,246
Capital assets (note 3)	**3,513,855**	4,113,666	**—**	—	**3,513,855**	4,113,666
Intangible assets (note 4)	**221,420**	143,413	**—**	—	**221,420**	143,413
	24,615,668	22,968,780	**27,334,280**	25,469,545	**51,949,948**	48,438,325
Liabilities						
Current liabilities						
Accounts payable and accrued liabilities	**1,123,252**	859,125	**46,596**	40,168	**1,169,848**	899,293
Accrued insurance premiums	**—**	—	**555,642**	522,597	**555,642**	522,597
Government fee payable (note 7)	**175,707**	145,298	**—**	—	**175,707**	145,298
Deferred lease inducement (note 6)	**95,268**	95,268	**—**	—	**95,268**	95,268
Deferred education revenue (note 5(c))	**100,000**	200,000	**—**	—	**100,000**	200,000
Deferred registration fees (note 5(a))	**9,237,695**	8,902,722	**—**	—	**9,237,695**	8,902,722
Deferred insurance premium fees (note 5(b))	**—**	—	**9,410,533**	8,519,569	**9,410,533**	8,519,569
Deferred premium stabilization fees (note 5(b))	**—**	—	**340,962**	327,676	**340,962**	327,676
Deferred insurance administration fees (note 5(b))	**—**	—	**360,027**	382,725	**360,027**	382,725
	10,731,922	10,202,413	**10,713,760**	9,792,735	**21,445,682**	19,995,148
Deferred lease inducement (note 6)	**666,876**	762,144	**—**	—	**666,876**	762,144
Deferred registration revenue (note 5(a))	**2,818,669**	2,812,035	**—**	—	**2,818,669**	2,812,035
	14,217,467	13,776,592	**10,713,760**	9,792,735	**24,931,227**	23,569,327
Accumulated Fund Balances						
Investment in capital assets and intangible assets (note 3 and 4)	**3,735,275**	4,257,079	**—**	—	**3,735,275**	4,257,079
Restricted						
Insurance Premium Fund (schedule 2)	**—**	—	**54,383**	54,383	**54,383**	54,383
Premium Stabilization Fund (schedule 2)	**—**	—	**16,030,424**	15,032,410	**16,030,424**	15,032,410
Insurance Administration Fund (schedule 2)	**—**	—	**535,713**	590,017	**535,713**	590,017
Unrestricted	**6,662,926**	4,935,109	**—**	—	**6,662,926**	4,935,109
	10,398,201	9,192,188	**16,620,520**	15,676,810	**27,018,721**	24,868,998
	24,615,668	22,968,780	**27,334,280**	25,469,545	**51,949,948**	48,438,325
Commitments and contingencies (notes 7, 8 and 10)						

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

Statement of Operations and Cumulative Operations and Insurance Program Fund Balances

Year ended March 31, 2014	Operations Fund 2014	Operations Fund 2013	Insurance Program Funds 2014	Insurance Program Funds 2013	Total 2014	Total 2013
Revenues	**$**	**$**	**$**	**$**	**$**	**$**
Registration fees (note 5(a))	**12,569,593**	11,863,776	**—**	—	**12,569,593**	11,863,776
Insurance premium fees (note 5(b))	**—**	—	**21,611,360**	19,112,479	**21,611,360**	19,112,479
Premium stabilization fees (note 5(b))	**—**	—	**802,542**	767,663	**802,542**	767,663
Insurance administration fees (note 5(b))	**—**	—	**884,583**	912,471	**884,583**	912,471
Education (note 5(c))	**2,383,852**	2,069,335	**—**	—	**2,383,852**	2,069,335
Other income	**1,136,834**	1,060,711	**136,813**	143,198	**1,273,647**	1,203,909
	16,090,279	14,993,822	**23,435,298**	20,935,811	**39,525,577**	35,929,633
Expenses and expenditures						
Council expenditures (schedules 1 and 2)	**15,132,385**	14,466,974	**22,787,750**	20,182,264	**37,920,135**	34,649,238
Operating income before interest income	**957,894**	526,848	**647,548**	753,547	**1,605,442**	1,280,395
Interest income	**248,119**	229,332	**296,162**	284,621	**544,281**	513,953
Net income for the year	**1,206,013**	756,180	**943,710**	1,038,168	**2,149,723**	1,794,348
Accumulated fund balances — Beginning of year	**9,192,188**	8,436,008	**15,676,810**	14,638,642	**24,868,998**	23,074,650
Accumulated fund balances — End of year	**10,398,201**	9,192,188	**16,620,520**	15,676,810	**27,018,721**	24,868,998

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

Statement of Cash Flows

Year ended March 31, 2014	Operations Fund 2014	Operations Fund 2013	Insurance Program Funds 2014	Insurance Program Funds 2013	Total 2014	Total 2013
Cash provided by (used in)	**$**	**$**	**$**	**$**	**$**	**$**
Operating activities						
Net income for the year	**1,206,013**	756,180	**943,710**	1,038,168	**2,149,723**	1,794,348
Items not affecting cash						
Amortization of capital assets	**757,704**	672,262	**—**	—	**757,704**	672,262
Amortization of intangible assets	**67,693**	69,333	**—**	—	**67,693**	69,333
Loss on disposal of capital assets	**—**	34,738	**—**	—	**—**	34,738
	2,031,410	1,532,513	**943,710**	1,038,168	**2,975,120**	2,570,681
Non-cash working capital items related to operations (note 12)	**(1,733,737)**	851,122	**(1,637,751)**	(927,176)	**(3,371,488)**	(76,054)
	297,673	2,383,635	**(694,041)**	110,992	**(396,368)**	2,494,627
Investing activities						
Purchase of capital assets	**(157,893)**	(2,280,175)	**—**	—	**(157,893)**	(2,280,175)
Purchase of intangible assets	**(145,700)**	(76,756)	**—**	—	**(145,700)**	(76,756)
	(303,593)	(2,356,931)	**—**	—	**(303,593)**	(2,356,931)
Increase (decrease) in cash during the year	**(5,920)**	26,704	**(694,041)**	110,992	**(699,961)**	137,696
Cash — Beginning of year	**1,064,575**	1,037,871	**961,996**	851,004	**2,026,571**	1,888,875
Cash — End of year	**1,058,655**	1,064,575	**267,955**	961,996	**1,326,610**	2,026,571

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 the program.

Basis of preparation

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) as issued by the Canadian Accounting Standards Board.

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. One-time amounts received under the Education Services Agreement are recognized evenly over the period of this agreement; the remaining portion of these amounts is 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 based on their classification as discussed below.

Short-term investments are classified as held-for-trading and are recorded at fair value with the change in the fair value recorded in revenues. Transaction costs related to investments classified as held-for-trading 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	30%
Office furniture and equipment	20%
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 value is recognized as an expense in the statement of operations and cumulative operations and insurance program fund balances.

Intangible assets

Intangible assets, comprised of computer software, are recorded at cost, less accumulated amortization. Amortization is provided at an annual rate of 30% on a straight-line basis.

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 1.2% to 1.7% and maturity dates ranging from April 21, 2014 to January 26, 2015.

3. Capital assets

2014	Cost $	Accumulated amortization $	Net $
Computer equipment	1,371,690	1,096,041	275,649
Office furniture and equipment	2,330,149	1,397,369	932,780
Leasehold improvements	2,873,551	568,125	2,305,426
	6,575,390	**3,061,535**	**3,513,855**

2013	Cost $	Accumulated amortization $	Net $
Computer equipment	1,230,821	955,842	274,979
Office furniture and equipment	2,313,124	1,067,219	1,245,905
Leasehold improvements	2,873,551	280,769	2,592,782
	6,417,496	**2,303,830**	**4,113,666**

4. Intangible assets

2014	Cost $	Accumulated amortization $	Net $
Computer software	**946,924**	**725,504**	**221,420**

2013	Cost $	Accumulated amortization $	Net $
Computer software	**801,225**	**657,812**	**143,413**

5. Deferred revenue

a. Operations Fund

Deferred revenue represents registration fees received that relate to subsequent periods. The movements in the deferred revenue balance during the year were:

	$
Balance — March 31, 2013	11,714,757
Registration fees received in fiscal 2014	12,911,200
Less: Amounts recognized as revenue in fiscal 2014	(12,569,593)
Balance — March 31, 2014	12,056,364
Amounts to be recognized as revenue in fiscal 2015	**9,237,695**
Amounts to be recognized as revenue in fiscal 2016	**2,818,669**
	12,056,364

b. Insurance Program Funds

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

	2014			
	Insurance Premium Fund $	Premium Stabilization Fund $	Insurance Administration Fund $	Total $
Balance — March 31, 2013	8,519,569	327,676	382,725	9,229,970
Insurance payments received in fiscal 2014	22,502,324	815,828	861,885	24,180,037
Less: Amounts recognized as revenue in fiscal 2014	(21,611,360)	(802,542)	(884,583)	(23,298,485)
Balance — March 31, 2014	9,410,533	340,962	360,027	10,111,522
Amounts to be recognized as revenue in fiscal 2015	**9,410,533**	**340,962**	**360,027**	**10,111,522**

c. Operations Fund — education services agreement

An Education Services Agreement between the Registrar, appointed under REBBA 2002, RECO and the Ontario Real Estate Association (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 related to the one-time amount and the semi-annual payments has been deferred and is 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 was extended to July 31, 2018 and RECO will continue to receive the semi-annual payments of $150,000. The movements in the deferred balance during the year were:

	$
Balance — March 31, 2013	200,000
Received August 1, 2013	150,000
Received February 3, 2014	150,000
Less: Amounts recognized as education revenue in fiscal 2014	(400,000)
Balance — March 31, 2014	100,000
Amounts to be recognized as revenue in fiscal 2015	**100,000**

6. Deferred lease inducement

The deferred lease inducement represents the reimbursement by the lessor of certain expenditures for leasehold improvements made by RECO and graduated rental increases as inducements to enter into a long-term lease. These inducements are amortized on a straight-line basis as a reduction of rental expense over the term of the lease.

	$
Balance — March 31, 2013	857,412
Amortized to rental expense fiscal 2014	(95,268)
Balance — March 31, 2014	762,144
Amounts to be amortized in fiscal 2015	**95,268**
Amounts to be amortized in fiscal 2016 and subsequent years	**666,876**
	762,144

7. 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, $175,707 (2013 - $136,454) was incurred as an expense. In accordance with the Agreement, RECO is committed to pay $198,707 in fiscal 2015. Amounts for future years will be as determined by the Ministry of Consumer Services.

8. Commitments

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

	$
2015	795,293
2016	746,658
2017	662,493
2018	734,261
2019	734,261
Thereafter	2,202,784
	5,875,750

RECO is also committed to make insurance premium payments of $624,384 for the period from April 1, 2014 to August 31, 2014. This payment is due on August 31, 2014.

9. Funds held in trust

RECO holds in trust consumer deposits transferred by brokers as dormant trust funds. At March 31, 2014, these deposits amounted to $5,381,704 (2013 - $5,106,688). These amounts have not been included in the financial statements as RECO does not control nor benefit from these funds.

10. 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 statement of operations and cumulative operations and insurance program fund balances, as the matters are resolved.

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 or cash flow 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. RECO's accounts receivable risk is considered to be low, as receivables are recognized only if it is reasonably certain the monies will be received.

12. Non-cash working capital items related to operations

	Operations Fund		Insurance Program Funds		Total	
	2014	2013	2014	2013	2014	2013
	$	$	$	$	$	$
Short-term investments	(2,177,653)	57,535	(1,669,083)	(1,181,110)	(3,846,736)	(1,123,575)
Accounts receivable	24,204	9,456	(30,299)	(11,960)	(6,095)	(2,504)
Prepaid insurance premiums	—	—	(859,394)	(1,103,562)	(859,394)	(1,103,562)
Deposits and prepaid expenses	(21,163)	39,778	—	—	(21,163)	39,778
Accounts payable and accrued liabilities	264,127	(30,729)	6,428	11,071	270,555	(19,658)
Accrued insurance premiums	—	—	33,045	120,058	33,045	120,058
Government fee payable	30,409	(4,703)	—	—	30,409	(4,703)
Deferred lease inducement	(95,268)	857,412	—	—	(95,268)	857,412
Deferred education revenue	(100,000)	(300,000)	—	—	(100,000)	(300,000)
Deferred registration fees	341,607	222,373	—	—	341,607	222,373
Deferred insurance premium fees	—	—	890,964	1,220,776	890,964	1,220,776
Deferred premium stabilization fees	—	—	13,286	15,228	13,286	15,228
Deferred insurance administration fees	—	—	(22,698)	2,323	(22,698)	2,323
	(1,733,737)	**851,122**	**(1,637,751)**	**(927,176)**	**(3,371,488)**	**(76,054)**

13. Comparative figures

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

Schedule 1 of Council Expenditures	2014 $	2013 $
Operating expenses		
Office of the President and Chief Executive Officer	646,285	600,564
Office of the Registrar	622,262	626,830
Registration department	890,558	827,297
Education department	1,360,478	599,076
Inspections and investigations	1,099,604	1,070,905
Complaints and compliance department	935,378	927,391
Office of the Director of Corporate Services	380,104	359,431
Legal services department	1,784,230	1,495,848
Administration and human resources	791,818	744,694
Finance and accounting department	367,010	364,888
Communications department	419,033	391,471
Information systems department	1,136,050	1,290,634
Facilities cost	1,518,134	1,579,981
	11,950,944	**10,879,010**
Board of directors and working groups		
Board of directors' per diems	75,800	70,750
Board of directors' travel and meeting costs	81,707	65,291
Legislation and regulation committee	—	4,678
Governance committee	14,190	5,988
Audit committee	2,405	1,764
Finance committee	3,301	4,939
	177,403	**153,410**
Other corporate		
Amortization of capital assets	757,704	672,262
Amortization of intangible assets	67,693	69,333
Communications activities	484,006	1,115,112
Credit card discounts and charges	331,868	283,062
Government fee (note 7)	175,707	136,454
Hearings activities	201,886	198,509
Consulting costs	450,228	366,725
Directors' and officers' liability insurance	202,338	200,876
Annual general meeting	78,167	68,443
Strategic planning	73,782	80,241
Elections	96,879	105,858
Audit fees	39,925	25,244
National and international regulators' groups	43,855	71,703
Discipline and appeals committee	—	5,994
Loss on disposal of capital assets	—	34,738
	3,004,038	**3,434,554**
	15,132,385	**14,466,974**

Schedule 2 of Insurance Program Fund Balances	Insurance Premium Fund $	Premium Stabilization Fund $	Insurance Administration Fund $	2014 Total $	2013 Total $
Revenues					
Insurance fees recognized	21,611,360	802,542	884,583	23,298,485	20,792,613
Other income	—	—	136,813	136,813	143,198
	21,611,360	**802,542**	**1,021,396**	**23,435,298**	**20,935,811**
Expenses					
Legal and audit	—	—	69,156	69,156	35,946
Insurance staffing	—	—	222,597	222,597	194,593
Insurance committee	—	—	15,476	15,476	15,096
Miscellaneous	—	—	16,848	16,848	19,278
Stabilization committee	—	—	6,046	6,046	7,784
Printing costs	—	—	45,205	45,205	77,037
Credit card discounts	—	—	577,358	577,358	500,376
Processing and mailing costs	—	—	223,704	223,704	219,710
Insurance	21,611,360	—	—	21,611,360	19,112,444
	21,611,360	**—**	**1,176,390**	**22,787,750**	**20,182,264**
Operating income (loss) before interest income	—	802,542	(154,994)	647,548	753,547
Interest income	—	195,472	100,690	296,162	284,621
Net income (loss) for the year	—	998,014	(54,304)	943,710	1,038,168
Accumulated fund balances - Beginning of year	54,383	15,032,410	590,017	15,676,810	14,638,642
Accumulated fund balances - End of year	54,383	16,030,424	535,713	16,620,520	15,676,810

Governance

Board of Directors

Standing (L to R): Mary Shenstone, George Watson, Mike Cusano, Peter Hoffman, Jody Lavoie, Rebecca Ryder, Bill Yetman, Ashwani Bhardwaj

Sitting (L to R): Keith R. Tarswell, Glenda Brindle, Howard Drukarsh, Michael Appleton

Office of the President/CEO

Office of the Registrar

Registration

Education

Inspections and Investigations

Complaints

Corporate Services

Administration and Human Resources

Communications

Finance and Accounting

Information Systems

Insurance

Legal Services

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 the Act 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, 2014, RECO had 98 full-time employees.

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. During her time on the Board of Directors, including two terms as Vice Chair and another term as Chair, she has participated in 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.

Vice Chair

JODY LAVOIE
Broker
Royal LePage Team Realty, Brokerage
Ottawa
End of Term: June 2016

Jodie Lavoie was first elected to RECO's Board of Directors in 2010 and was elected by the Board in 2013 to serve as Vice Chair. He previously held the role of Vice Chair in 2011. Since joining the Board, he has participated as a member of the Audit and Governance Committees and served as Chair of the Finance Committee.

Mr. Lavoie began his career as a real estate salesperson in 2005, becoming a broker in 2008. He has extensive knowledge of construction and renovation practices and donates his time to Habitat for Humanity and Renovation Challenge projects.

Mr. Lavoie is an active member of the Ottawa Real Estate Board and has been awarded various sales achievement and philanthropic awards throughout his career.

Elected Directors

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

HOWARD DRUKARSH
Broker
Right At Home Realty Inc., Brokerage
Toronto
End of Term: June 2016

PETER HOFFMAN
Broker of Record
Royal LePage Triland Realty, Brokerage
London
End of Term: June 2016

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

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

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

Appointed Directors

ASHWANI BHARDWAJ
Real Estate Conveyancer
End of Term: August 2016

MARY SHENSTONE
Assistant Deputy Minister
International Relations & Chief of Protocol
Ministry of Intergovernmental Affairs
End of Term: August 2015

BILL YETMAN
Executive Director
Bicycle Trade Association of Canada
End of Term: February 2017

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 develop recommendations to the Board of Directors related to potential changes to the REBBA 2002 and associated regulations. The Committee may also make recommendations to the Board regarding consultation related to potential regulation changes.
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.

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.

Office of the Registrar

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 management 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 management 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 (CCD)
The Manager of CCD is responsible for administering and managing, by various means, RECO's CCD 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 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.

James Geuzebroek
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.

Mike Prime
Manager, Information Systems (IS)
The Manager of IS 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.

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

CORE PURPOSE
To foster confidence and uphold integrity in real estate transactions

MISSION
Excellence in the delivery of regulatory services that protect the public interest and enhance consumer confidence in the real estate profession

VISION
Public trust and confidence in Ontario's real estate profession

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:

Fairness:	Act impartially and equitably
Accountability:	Administer the *Real Estate and Business Brokers Act, 2002* competently in accordance with the law
Integrity:	Be truthful and trustworthy
Respect:	Treat all with courtesy

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.

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