
**IN THE MATTER OF A DISCIPLINE PROCEEDING HELD PURSUANT TO THE
*TRUST IN REAL ESTATE SERVICES ACT, 2022***

BETWEEN:

REAL ESTATE COUNCIL OF ONTARIO

- AND -

KHAYAM AHMAD

- AND -

BROKERAGE A

DISCIPLINE DECISION AND REASONS FOR DECISION

Subject to Rule 4.02 of the Discipline and Appeals Committee Rules of Practice (*TRESA 2002*), I, the Chair of the Discipline Committee (*TRESA 2002*) have reviewed and considered the Agreed Statement of Facts and Penalty together with the Waiver of Hearing submitted by the Parties to this proceeding and provide the following Order:

BROKERAGE A

FINDINGS:

In violation of Sections 21.2(7)(a)(b), 21.2(10), 27(1)(c) of *TRESA 2002*.

In violation of Sections 12, 13 and 17 of the Educational Requirements, Insurance, Records and Other Matters Regulations.

In violation of Sections 12.1(4)(a), 13.5(1)(2), 15 and 19 of the General Regulation.

ORDER:

Fine of \$ 2,500.00 payable to RECO within three (3) months after the date of the Decision of the Discipline Committee on this matter: August 14, 2026.

Brokerage A will terminate its registration with RECO within three (3) months of the date of the Decision of the Discipline Committee on this matter, failing which Brokerage A's registration may be terminated by the Registrar, at his/her discretion, based on non-compliance with this agreement.

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AHMAD, Khayam

FINDINGS:

In violation of Sections 12(2) of *TRESA 2002*.

In violation of Sections 30(1) of the General Regulation.

ORDER:

Fine of \$ 2,500.00 payable to RECO within three (3) months after the date of the Decision of the Discipline Committee on this matter: August 14, 2026.

AHMAD, Khayam will not be, or apply to be, a broker of record nor have signing authority or be designated as an alternate signing authority on any statutory trust account of a real estate brokerage, or otherwise hold a managerial position in a real estate brokerage, for a period of five (5) years from the date of the Decision of the Discipline Committee on this matter.

WRITTEN REASONS:

REASONS FOR DECISION

INTRODUCTION

This matter proceeded on the basis of an Agreed Statement of Facts and Penalty and Waiver of Hearing, pursuant to Rule 4.02 of the Rules of Practice (*TRESA 2002*).

The Agreed Statement of Facts and Penalty read:

AGREED STATEMENT OF FACTS AND PENALTY

It is agreed as follows:

1. At all relevant times, Khayam Ahmad and Brokerage A (“Brokerage A”) were registered as a broker and a brokerage, respectively, under the *Trust in Real Estate Services Act, 2002* (“Act”).

2. At all relevant times, Ahmad was and remains the owner and broker of record of Brokerage A.
3. On or about October 13, 2023, RECO commenced an inspection of Brokerage A which revealed multiple deficiencies. These included Brokerage A's failure to prepare monthly trust reconciliations, failure to maintain a written record of trust money transactions, failure to properly designate an account as a real estate trust account, and failure to keep trust money separate and apart from money belonging to the brokerage.
4. Despite Ahmad, as the broker of record, signing and returning an inspection deficiency notice outlining these deficiencies, he and Brokerage A failed to rectify them.
5. On or about February 20, 2024, RECO commenced a second inspection of Brokerage A which revealed the same deficiencies identified in the first inspection, in addition to Brokerage A's failure to prepare trade record sheets and failure to include the description "brokerage" in its advertising.
6. Despite Ahmad signing and returning an inspection deficiency notice outlining these deficiencies, he and Brokerage A failed to fully rectify them.
7. On or about October 31, 2024, RECO commenced a third inspection of Brokerage A which identified recurring deficiencies from the first and second inspections, in addition to two further deficiencies, namely Brokerage A's failure to ensure all real estate trust account disbursements were authorized by the broker of record and failure to reduce representation agreements to writing.
8. On December 16, 2024, RECO issued a letter enclosing an inspection deficiency notice and requested additional reconciliation and bank statements for November 2024 to April 2025 be produced by June 9, 2025.
9. Despite Ahmad signing and returning the inspection deficiency notice, he and Brokerage A neither rectified the prior deficiencies nor produced the additional documents.
10. In or around February 2026, Brokerage A indicated an intention to terminate the brokerage, and Ahmad indicated an intention to step down as broker of record and not to be or apply to be a broker of record, a signing authority/alternate signing authority of any statutory trust account of a real estate brokerage, or otherwise hold a managerial position at a real estate brokerage.

SUMMARY OF AGREEMENTS

It is agreed that Brokerage A failed to comply with the Act and/or Regulations as follows:

- A. Brokerage A failed to produce records requested by an inspector contrary to section 21.2(7) and 21.2(10) of the Act.
- B. Brokerage A failed to keep trust fund money separate and apart from money belonging to the brokerage contrary to section 27(1)(c) of the Act.
- C. Brokerage A failed to comply with its record-keeping obligations, including preparing trust account reconciliations, written records of all trust money transactions, and trade record sheets, contrary to sections 12, 13, and 17 of the *Educational Requirements, Insurance, Records and Other Matters Regulation* (O Reg 579/05).
- D. Brokerage A failed to maintain an account designated as a real estate trust account contrary to section 27(1)(a) of the Act and section 15 of the *General Regulation* (O Reg 567/05).
- E. Brokerage A failed to ensure the broker of record authorized all trust transactions contrary to section 19 of the *General Regulation* (O Reg 567/05).
- F. Brokerage A failed to reduce all representation agreements to writing contrary to section 13.5 of the *General Regulation* (O Reg 567/05).
- G. Brokerage A failed to use the term “brokerage” in its advertisements contrary to section 12.1(4)(a) of *General Regulation* (O Reg 567/05).

It is agreed that Brokerage A failed to comply with the following sections of the Act:

Obligation to produce and assist

21.2 (7) If an inspector demands that a record or other thing be produced for inspection, the person having custody of the record or other thing shall produce it for the inspector within the time provided for in the demand, and shall, upon the inspector’s demand,

- (a) provide whatever assistance is reasonably necessary to produce a record or other thing in a readable form, including using any data storage, processing or retrieval device or system; and
- (b) provide whatever assistance is reasonably necessary to interpret a record or other thing for the inspector.

No obstruction

(10) No person shall obstruct an inspector conducting an inspection or a person accompanying the inspector under subsection (3) or withhold from the inspector or other person or conceal, alter or destroy any record or other thing that is relevant to the inspection.

Trust account

27. (1) Every brokerage shall,

- (a) maintain in Ontario an account designated as a trust account, in,
 - (i) a bank or authorized foreign bank as defined in section 2 of the *Bank Act (Canada)*;
 - (ii) a loan or trust corporation; or
 - (iii) a credit union within the meaning of the *Credit Unions and Caisses Populaires Act, 2020*;
- (b) deposit into the account all money that comes into the brokerage's hands in trust for other persons in connection with the brokerage's business;
- (c) at all times keep the money separate and apart from money belonging to the brokerage; and
- (d) disburse the money only in accordance with the terms of the trust.

It is agreed that Brokerage A failed to comply with the following sections of the *Educational Requirements, Insurance, Records and Other Matters Regulation, O Reg 579/05*:

Records of trust money transactions

12. A brokerage shall make a written record of the receipt of any money that comes into the brokerage's hands in trust for other persons in connection with the brokerage's business, and of every transaction relating to that money, including the following information:

- 1. The amount of money that came into the brokerage's hands in trust for another person in connection with the brokerage's business.
- 2. The date the money came into the brokerage's hands.
- 3. The name of the person from whom the money was received and, if the money was received on another person's behalf, the name of the person on whose behalf the money was received.
- 4. The purpose of receiving the money.
- 5. The name of the broker or salesperson who received the money.

6. With respect to every deposit into the trust account maintained under section 27 of the Act,
 - i. a way of identifying the money that came into the brokerage's hands in trust to which the deposit relates, including,
 - A. the name of the person from whom the money was received, and
 - B. the real estate, if any, to which the money relates,
 - ii. the amount of the deposit, and
 - iii. the date the deposit was made.
7. With respect to every disbursement from the trust account maintained under section 27 of the Act,
 - i. the amount of the disbursement,
 - ii. the date the disbursement was made,
 - iii. the name of the person to whom the money was disbursed,
 - iv. the real estate, if any, to which the disbursement relates,
 - v. the purpose of the disbursement, and
 - vi. the name of the person who authorized the disbursement under section 19 of Ontario Regulation 567/05 (General) made under the Act.
8. With respect to every payment of interest on money held in the trust account maintained under section 27 of the Act,
 - i. a way of identifying the money that came into the brokerage's hands in trust to which the payment relates,
 - ii. the amount of the payment,
 - iii. the date the payment was made, and
 - iv. the name of the person who authorized the payment of interest under section 19 of Ontario Regulation 567/05 (General) made under the Act.

Monthly reconciliation

13. (1) A brokerage shall prepare a trust account reconciliation statement in accordance with this section for each trust account maintained under section 27 of the Act not later than,

- (a) in the case of a brokerage that receives a monthly account statement from the financial institution where the account is

maintained, 30 days after the date the monthly account statement is received; and

- (b) in any other case, 30 days after the last day of each month.
- (2) The reconciliation statement shall,
 - (a) identify the differences, if any, between the brokerage's records and the records of the financial institution where the account is maintained, as of,
 - (i) the date of the account statement from the financial institution, if clause (1) (a) applies, and
 - (ii) the last day of the month to which the reconciliation statement relates, if clause (1) (b) applies; and
 - (b) identify the balances in the trust account that are owing to each person as of,
 - (i) the date of the account statement from the financial institution, if clause (1) (a) applies, and
 - (ii) the last day of the month to which the reconciliation statement relates if clause (1) (b) applies.

(3) The brokerage's broker of record shall, within the time referred to in subsection (1),

- (a) review the reconciliation statement; and
- (b) sign and date the reconciliation statement to indicate that he or she has reviewed it.

(4) When the broker of record is absent or unable to act, the broker designated under subsection 30 (2) of Ontario Regulation 567/05 (General) made under the Act shall exercise and perform the powers and duties of the broker of record under subsection (3).

Trade record sheets

17. (1) A brokerage that provides services to a client who enters into an agreement that deals with the conveyance of an interest in real estate shall complete a trade record sheet that includes the following information:

1. The nature of the trade.
2. A description of the real estate sufficient to identify it.
3. The true consideration for the trade.
4. The names of all parties to the trade.
5. The names and contact information of the lawyers, if any, who are representing parties to the trade.

6. The names and contact information of all registrants who are representing parties to the trade.
7. The following information if a deposit is received:
 - i. the amount of the deposit, if the deposit is money,
 - ii. a description of the deposit sufficient to identify it, if the deposit is not money, and
 - iii. a record of the disbursement or withdrawal of the deposit, as the case may be.
8. The amount of the brokerage's remuneration and the name of the party paying it.
9. The amount of any remuneration payable to another brokerage and the name of that brokerage.
10. The scheduled completion date for the conveyance of the interest in real estate and the amended completion date, if any. O. Reg. 579/05, s. 17 (1); O. Reg. 538/20, s. 2; O. Reg. 233/23, s. 1.

(2) The broker or salesperson that represents the client referred to in subsection (1) shall enter the information referred to in that subsection into the trade record sheet.

(3) When there are no conditions in the agreement that remain to be satisfied, the broker or salesperson shall review the trade record sheet, make all necessary corrections to it, initial the corrections and sign the trade record sheet.

(4) In making corrections under subsection (3), a broker or salesperson shall not obliterate a previous entry but shall leave it legible.

(5) After the broker or salesperson signs the trade record sheet, the brokerage's broker of record shall,

- (a) return the sheet to the broker or salesperson if the broker of record is not satisfied that the information in the sheet is accurate; and
- (b) sign the trade record sheet when the broker of record is satisfied that the information in the sheet is accurate.

(6) When the broker of record is absent or unable to act, the broker designated under subsection 30 (2) of Ontario Regulation 567/05 (General) made under the Act shall exercise and perform the powers and duties of the broker of record under subsection (5).

It is agreed that Brokerage A failed to comply with the following sections of the *General Regulation* (O Reg 567/05):

Advertising

12.1 (4) Subject to subsection (6), a registrant who advertises shall,

- (a) use the term “brokerage”, “real estate brokerage”, “maison de courtage” or “maison de courtage immobilier” to describe any brokerage that is referred to in the advertisement;

Seller representation agreements

13.5 (1) If a brokerage enters into a seller representation agreement with a seller and the agreement is not in writing, the brokerage shall, as soon as possible after entering the agreement and before any buyer makes an offer, reduce the agreement to writing, have it signed on behalf of the brokerage and provide it to the seller for signature.

(2) In this section, “seller representation agreement” means a representation agreement between a brokerage and a seller, and includes a listing agreement.

Real Estate Trust Account

15. A brokerage shall ensure that each account maintained under section 27 of the Act is designated as a Real Estate Trust Account.

Authorization of transactions

19. A brokerage shall not engage in any transaction involving money that comes into the brokerage’s hands in trust for other persons in connection with the brokerage’s business unless the transaction is authorized by the brokerage’s broker of record.

It is agreed that Ahmad failed to comply with the Act and/or Regulations as follows:

- A. Ahmad failed to fulfill his duty as a broker of record to ensure that Brokerage A complies with the Act and regulations, contrary to section 12(2) of the Act and section 30 of the *General Regulation* (O Reg 567/05).

It is agreed that Ahmad failed to comply with the following sections of the Act:

Broker of record

12. (1) Every brokerage shall,

- (a) designate a broker who is employed by the brokerage as the broker of record and notify the registrar of his or her identity; and

- (b) notify the registrar if the broker of record changes, within five days of the change.

Duties

(2) The broker of record shall ensure that the brokerage complies with this Act and the regulations.

It is agreed that Ahmad failed to comply with the following sections of the *General Regulation, O Reg 567/05*:

Broker of record

30. (1) A broker of record shall,
- (a) actively participate in the management of the brokerage;
 - (b) ensure an adequate level of supervision for the brokers, salespersons and other persons employed by the brokerage; and
 - (c) take reasonable steps to deal with any failure to comply with the Act or the regulations by a broker, salesperson or other person employed by the brokerage.

AGREED PENALTY

The Respondent Khayam Ahmad understands and agrees to the following penalty and conditions:

1. Brokerage A will terminate its registration with RECO within three months of the date of the Decision of the Discipline Committee on this matter, failing which Brokerage A's registration may be terminated by the Registrar, at his/her discretion, based on non-compliance with this agreement.
2. Ahmad will not be, or apply to be, a broker of record nor have signing authority or be designated as an alternate signing authority on any statutory trust account of a real estate brokerage, or otherwise hold a managerial position in a real estate brokerage, for a period of five years from the date of the Decision of the Discipline Committee on this matter.
3. Brokerage A will pay a fine of \$2,500 within three months after the date of the Decision of the Discipline Committee on this matter.

4. Ahmad will pay a fine of \$2,500 within three months after the date of the Decision of the Discipline Committee on this matter.

Respondents acknowledgements:

1. We acknowledge that we have read and understand the penalty and conditions outlined herein and agree to the said terms and/or conditions.
2. We acknowledge our right to seek legal counsel in this matter before signing this agreement.
3. We agree, understand, acknowledge and consent to waiving our right to a hearing before the Discipline Committee.

Waiver of hearing before the Discipline Committee:

4. The parties consent to disposing of the matter without a hearing before the Discipline Committee and agree to the terms set out herein.
5. The parties request an Order from the Chair of the Discipline Committee that includes this Agreement of Facts and Penalty as a final settlement of this matter.

By signature below the Parties agree, acknowledge, understand and consent to the final settlement of this matter by way of this Agreed Statement of Facts and Penalty.

[The Parties duly signed the Agreed Statement.]

DECISION OF THE CHAIR

Having reviewed and considered the Agreed Statement of Facts, the Chair of the Discipline Committee (*TRESA 2002*) concluded that the Respondent, BROKERAGE A REAL ESTATE INC., breached Sections 21.2(7)(a)(b), 21.2(10), 27(1)(c) of *TRESA 2002*, Sections 12, 13 and 17 of the Educational Requirements, Insurance, Records and Other Matters Regulations, and Sections 12.1(4)(a), 13.5(1)(2), 15 and 19 of the General Regulation. The Chair of the Discipline Committee (*TRESA 2002*) is also in agreement with the joint submission of the Parties as to penalty.

Having reviewed and considered the Agreed Statement of Facts, the Chair of the Discipline Committee (*TRESA 2002*) concluded that the Respondent, AHMAD, KHAYAM breached Sections 12(2) of *TRESA 2002*, and Section 30(1) of the General Regulation. The Chair of the Discipline Committee (*TRESA 2002*) is also in agreement with the joint submission of the Parties as to penalty.

The Chair of the Discipline Committee (*TRESA 2002*) makes the following order:

1. BROKERAGE A REAL ESTATE INC. will terminate its registration with RECO within three months of the date of the Decision of the Discipline Committee on this matter, failing which BROKERAGE A's registration may be terminated by the Registrar, at his/her discretion, based on non-compliance with this agreement.
2. BROKERAGE A REAL ESTATE INC. will pay a fine of \$2,500.00 within three months after the date of the Decision of the Discipline Committee on this matter.
3. AHMAD, KHAYAM will not be, or apply to be, a broker of record nor have signing authority or be designated as an alternate signing authority on any statutory trust account of a real estate brokerage, or otherwise hold a managerial position in a real estate brokerage, for a period of five years from the date of the Decision of the Discipline Committee on this matter.
4. AHMAD, KHAYAM will pay a fine of \$2,500.00 within three months after the date of the Decision of the Discipline Committee on this matter.

Released: May 14, 2026