RECO
Real Estate Council of Ontario

File #2024030391

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 -

HUIQI ZHANG (registered as LUCY ZHANG)

- AND -

CREEKSIDE REALTY INC.

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:

ZHANG, Huiqi (registered as ZHANG, Lucy)

FINDINGS: In violation of Sections 1, 2, 3, 5 and 12(2) of the *TRESA 2002* Code of Ethics.

In violation of Sections 13(3) and 17(2)(3)(5) of the General Regulation.

ORDER: Fine of $8,000.00 payable to RECO within 30 days after the date of the Decision of the Discipline Committee on this matter: August 21, 2026

a) ZHANG, Huiqi (registered as ZHANG, Lucy) is ordered, as per agreement, that the following conditions will apply to her registration for a period of three years commencing from the date that CREEKSIDE REALTY INC.'s registration has been terminated:

b) ZHANG, Huiqi (registered as ZHANG, Lucy) is ordered, as per agreement not to be, or apply to be, a broker of record or be involved in the supervision or direction of a broker, salesperson, or any person employed by a real estate brokerage;

c) ZHANG, Huiqi (registered as ZHANG, Lucy) is ordered, as per agreement not to have signing authority or be designated as an alternate signing authority on any statutory trust account of a real estate brokerage; and

d) ZHANG, Huiqi (registered as ZHANG, Lucy) is ordered, as per agreement, that if she seeks to transfer her registration to another real estate brokerage while these conditions are still in effect, she agrees to notify the new brokerage of these conditions in writing prior to the transfer of registration.

WRITTEN REASONS: *attached*

Lucy Aita
Chair, Discipline Committee (*TRESA 2002*)

CREEKSIDE REALTY INC.

FINDINGS: In violation of Sections 27(1)(c)(d) and 27(2) of the *TRESA 2002* Code of Ethics.

In violation of Sections 13, 13.4((1)(v), 14, 15 and 17 of the General Regulation.

ORDER: Fine of $9,000.00 payable to RECO within 30 days after the date of the Decision of the Discipline Committee on this matter: August 21, 2026

a) CREEKSIDE REALTY INC. is ordered to apply to terminate its registration with RECO within one month of the date of the Decision of the Discipline Committee on this matter, failing which CREEKSIDE REALTY INC.'s registration may be terminated by the Registrar, at his discretion, based on non-compliance with this agreement.

WRITTEN REASONS: *attached*

Lucy Aita
Chair, Discipline Committee (*TRESA 2002*)

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, Huiqi Zhang and Creekside Realty Inc. ("Creekside") were registered as a broker and a brokerage, respectively, under the *Trust in Real Estate Services Act, 2002* ("Act").

2. At all relevant times, Zhang was and remains the broker of record and sole officer, director, and shareholder of Creekside.

3. During a brokerage inspection in April 2024, Zhang disclosed to a RECO inspector that a $50,000 disbursement was executed from Creekside's Real Estate Trust Account ("RETA") on March 5, 2024 prior to the permitted timeline. The funds represented a buyer's deposit in a transaction in which Zhang personally was the seller.

4. Zhang used the disbursed funds to cover closing costs in a separate, personal real estate transaction.

5. Zhang voluntarily rectified the shortfall on March 22, 2024, and the transaction involving the $50,000 deposit closed as scheduled without any issues.

6. A further inspection was carried out by a RECO inspector in October 2025.

7. The inspection identified deficiencies in the brokerage's operations and record-keeping, including:

    a. The statutory trust account was not properly designated as a RETA;

    b. Monthly trust reconciliations not being prepared properly;

    c. Trade record sheets were not completed properly or signed in a timely manner;

    d. Commissions were being paid directly from the RETA;

e. Agreements of purchase and sale indicated Creekside's trust account was interest-bearing when it was not; and

f. Representation agreements did not properly describe the scope of services Creekside was to provide in each transaction.

SUMMARY OF AGREEMENTS

It is agreed that Zhang failed to comply with the Act and Regulations as follows:

A. Zhang directed, caused and/or facilitated a disbursement of $50,000 from her brokerage's RETA outside the terms of the trust and for personal use, contrary to sections 1, 2, 3, and 5 of O. Reg. 365/22, Code of Ethics, and section 12(2) of the Act.

B. In addition, Zhang failed to comply with the following operational and/or record-keeping requirements:

   i. As the broker of record, Zhang failed to sign and date monthly trust reconciliations, contrary to section 13(3) of O. Reg. 579/05, Educational Requirements, Insurance Records and Other Matters; and

   ii. As the broker for the transactions and the broker of record of Creekside, Zhang failed to prepare trade record sheets properly and sign them in a timely manner, contrary to sections 17(2), (3) and (5) of O. Reg. 579/05, Educational Requirements, Insurance Records and Other Matters.

C. As the broker of record, Zhang also failed to ensure her brokerage complied with various operational and/or record-keeping requirements, as alleged in further detail below, contrary to section 12(2) of the Act.

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

Duties

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

It is agreed that Zhang failed to comply with the following sections of the Code of Ethics:

Integrity, honesty, good faith, etc.

1. In carrying on business, a registrant shall act with courtesy, honesty, good faith and integrity in relation to every person the registrant deals with.

Unprofessional conduct, etc.

2. A registrant shall not engage in any act or omission that, having regard to all of the circumstances, would reasonably be regarded as,

(a) being disgraceful, dishonourable, unprofessional or unbecoming a registrant; or

(b) likely to bring the sector into disrepute or to undermine public confidence in the regulation of registrants under the Act.

No counselling contraventions

3. A registrant shall not counsel, advise or knowingly assist a person to contravene the Act, the regulations or any other law that is applicable to a trade in real estate or that is relevant to carrying on a registrant's business.

[…]

Misrepresentation, etc.

5. In carrying on business, a registrant,

(a) shall make best efforts to ensure that any representations are accurate and are not misleading; and

(b) shall not engage in or be a party to misrepresentation or any unethical practice.

It is agreed that Zhang failed to comply with the following sections of Educational Requirements, Insurance, Records and Other Matters Regulation:

Monthly reconciliation

13(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.

[…]

Trade record sheets

17. (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.

[…]

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

(c) 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

(d) sign the trade record sheet when the broker of record is satisfied that the information in the sheet is accurate.

It is agreed that Creekside failed to comply with the Act and Regulations as follows:

A. Creekside caused, permitted, and/or facilitated a disbursement of $50,000 from its RETA outside the terms of the trust, contrary to section 27(1)(d) of the Act.

B. Creekside failed to immediately notify the Registrar of the trust shortfall and failed to immediately deposit sufficient funds to eliminate the shortfall, contrary to section 14 of O. Reg. 579/05, Educational Requirements, Insurance Records and Other Matters.

C. Creekside also failed to comply with the following operational and/or record-keeping requirements:

   a. Keeping trust funds separate and apart from money belonging to the brokerage in accordance with section 27(1)(c) of the Act;

   b. Providing accurate disclosure regarding the terms on which trust funds would be deposited, in accordance with section 27(2) of the Act;

   c. Designating the trust account as a "Real Estate Trust Account" in accordance with section 15 of O. Reg. 567/05, General;

   d. Providing a description of the services it would be providing under its representation agreements, in accordance with section 13.4(1)(v) of O. Reg. 567/05, General;

   e. Preparing trust reconciliations in a manner consistent with the requirements under section 13 of O. Reg. 579/05, Educational Requirements, Insurance Records and Other Matters; and

   f. Preparing and signing trade record sheets in accordance with the requirements under section 17 of O. Reg. 579/05, Educational Requirements, Insurance Records and Other Matters.

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

Trust account

27. (1) Every brokerage shall,

[…]

(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.

Disclosure

(2) Brokerages shall fully and clearly disclose in writing to a person depositing trust money the terms on which the brokerage deposits the money, including whether the money is deposited in an interest bearing account and the interest rate that the brokerage receives on the money.

It is agreed that Creekside failed to comply with the following sections of General Regulation:

Contents of written agreements

13.4 (1) A brokerage shall not enter into a written agreement with a buyer or seller for the purpose of trading in real estate unless the following requirements are satisfied:

1. The agreement clearly, comprehensibly and prominently, sets out the following information:

[…]

v. The services that the brokerage will provide under the agreement and, in the case of a designated representation agreement, the fact that the brokerage will not provide representation.

[…]

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.

It is agreed that Creekside failed to comply with the following sections of the Educational Requirements, Insurance, Records and Other Matters Regulation:

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.

Shortfall

14. If a brokerage determines that there is a shortfall in the trust account maintained under section 27 of the Act, the brokerage shall immediately notify the registrar of the shortfall and deposit sufficient funds in the account to eliminate the shortfall.

[…]

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:

[…]

3. 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.

AGREED PENALTY

The Respondents Zhang and Creekside understand and agree to the following conditions and penalty:

1. Creekside will apply to terminate its registration with RECO within one month of the date of the Decision of the Discipline Committee on this matter, failing which Creekside's registration may be terminated by the Registrar, at his discretion, based on non-compliance with this agreement.

2. Zhang agrees that the following conditions will apply to her registration for a period of three years commencing from the date that Creekside's registration has been terminated:

   a. Zhang agrees not to be, or apply to be, a broker of record or be involved in the supervision or direction of a broker, salesperson, or any person employed by a real estate brokerage;

   b. Zhang agrees not to have signing authority or be designated as an alternate signing authority on any statutory trust account of a real estate brokerage; and

   c. If Zhang seeks to transfer her registration to another real estate brokerage while these conditions are still in effect, Zhang agrees to notify the new brokerage of these conditions in writing prior to the transfer of registration.

3. Zhang will pay a fine of $8,000 within 30-days after the date of the Decision of the Discipline Committee on this matter.

4. Creekside will pay a fine of $9,000 within 30-days 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.]

ZHANG, Huiqi (registered as ZHANG, Lucy)

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 breached Sections 1, 2, 3, 5 and 12(2) of the *TRESA 2002* Code of Ethics, and Sections 13(3) and 17(2)(3)(5) 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 and accordingly makes the following order:

1. ZHANG, Huiqi (registered as ZHANG, Lucy) is ordered to pay a fine in the amount of $8,000.00, payable to RECO, within 30 days after the date of the Decision of the Discipline Committee on this matter.

    a) ZHANG, Huiqi (registered as ZHANG, Lucy) is ordered, as per agreement, that the following conditions will apply to her registration for a period of three years commencing from the date that CREEKSIDE REALTY INC.'s registration has been terminated:

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CREEKSIDE REALTY INC.

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 breached Sections 27(1)(c)(d) and 27(2) of the *TRESA 2002* Code of Ethics, and Sections 13, 13.4((1)(v), 14, 15 and 17 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 and accordingly makes the following order:

1. CREEKSIDE REALTY INC. is ordered to pay a fine in the amount $9,000.00, payable to RECO, within 30 days after the date of the Decision of the Discipline Committee on this matter.

   a) CREEKSIDE REALTY INC. is ordered to apply to terminate its registration with RECO within one month of the date of the Decision of the Discipline Committee on this matter, failing which CREEKSIDE REALTY INC.'s registration may be terminated by the Registrar, at his discretion, based on non-compliance with this agreement.

Released: July 22, 2026