RECO
Real Estate Council of Ontario

File #2025040432

IN THE MATTER OF A DISCIPLINE PROCEEDING HELD PURSUANT TO THE *TRUST IN REAL ESTATE SERVICES ACT, 2002*

BETWEEN:

REAL ESTATE COUNCIL OF ONTARIO

- AND -

UNIVERSAL CORPORATION OF CANADA (REALTY) LTD.

-AND-

PAULINE APOLONIA KRYGSMAN

DISCIPLINE DECISION AND REASONS FOR DECISION

Subject to Rule 4.02 of the Discipline 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:

UNIVERSAL CORPORATION OF CANADA (REALTY)

FINDINGS:

In violation of Sections 2(a) and/or 2(b) of the *TRESA 2002* Code of Ethics.

In violation of Sections 13(1)(a)(b) and 14 of the Educational Requirements, Insurance, Records and Other Matters Regulations of O. Reg 579/05.

In violation of Section 27(1)(c) of the Act.

ORDER:

Fine of $14,000.00 payable to RECO, within eight (8) months after the date of the Decision of the Discipline Committee on this matter: June 8, 2027

(Continued next page . . .)

KRYGSMAN, Pauline Apolonia

FINDINGS: In violation of Sections 2(a) and/or 2(b) of the *TRESA 2002* Code of Ethics.

In violation of Sections 13(3)(a)(b) of the Educational Requirements, Insurance, Records and Other Matters Regulations of O. Reg 579/05.

In violation of Section 12(2) of the Act.

ORDER: Fine of $10,000.00 payable to RECO, within eight (8) months after the date of the Decision of the Discipline Committee on this matter: June 8, 2027

WRITTEN REASONS: *attached*

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

(Continued next page . . .)

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, Universal Corporation of Canada (Realty) Ltd. ("Universal Corporation") and Pauline Krygsman ("Krygsman") were registered as a brokerage and a broker, respectively, under the *Trust in Real Estate Services Act, 2002* ("Act").

2. At all relevant times, Krygsman was and remains the broker of record of Universal Corporation.

3. On or about July 3, 2024, RECO commenced an inspection of Universal Corporation.

4. The Inspection identified several issues with Universal Corporation's real estate trust account ("RETA"), including;

    a. Improper deposits into the RETA, including:

        i. $2,000.00 on January 2, 2024

        ii. $10,000.00 on March 27, 2024

        iii. $10,000.00 on July 2, 2024

    b. A shortfall in the RETA in the amount of $4,910.71 as of July 2, 2024;

    c. Reconciliation statements were not prepared, reviewed, and/or signed within required timelines for the months of January 2024 and May 2024.

SUMMARY OF AGREEMENTS

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

A. Universal Corporation failed to keep money to be held in trust separate and apart from money belonging to Universal Corporation, contrary to section 27(1)(c) of the Act.

B. Universal Corporation failed to report a shortfall in its RETA to the Registrar and/or deposit sufficient funds in its RETA to eliminate the shortfall, contrary to s. 14 of the *Educational Requirements, Insurance, Records and Other Matters Regulation* (O. Reg. 579/05).

C. Universal Corporation failed to prepare reconciliations of its RETA within required timelines, contrary to section 13 (1) of the *Educational Requirements, Insurance, Records and Other Matters Regulation* (O. Reg. 579/05).

D. Universal Corporation engaged in disgraceful, dishonourable, unprofessional and/or unbecoming conduct, and/or conduct likely to bring the sector into disrepute or to undermine public confidence in the regulation of registrants, contrary to section 2(a) and/or 2(b) of the *Code of Ethics* (O. Reg. 365/22).

It is agreed that Universal Corporation 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.

It is agreed that Universal Corporation failed to comply with the following sections of the Educational Requirements, Insurance, Records and Other Matters Regulation (O. Reg. 579/05):

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.

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.

It is agreed that Universal Corporation failed to comply with the following sections of the Code of Ethics (O. Reg. 365/22):

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.

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

A. Krygsman failed to review, sign, and/or date reconciliation statements for Universal Corporation's RETA within required timelines, contrary to section 13(3) of the *Educational Requirements, Insurance, Records and Other Matters Regulation* (O. Reg. 579/05).

B. Krygsman failed to ensure that Universal Corporation complied with the Act and/or the Regulations, contrary to section 12(2) of the Act.

C. Krygsman engaged in disgraceful, dishonourable, unprofessional and/or unbecoming conduct, and/or conduct likely to bring the sector into disrepute or to undermine public confidence in the regulation of registrants, contrary to section 2(a) and/or 2(b) of the *Code of Ethics* (O. Reg. 365/22).

It is agreed that Krygsman failed to comply with the following sections of the Educational Requirements, Insurance, Records and Other Matters Regulation (O. Reg. 579/05):

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).

It is agreed that Krygsman 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 Krygsman failed to comply with the following sections of the Code of Ethics (O. Reg. 365/22):

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.

AGREED PENALTY

The Respondent Pauline Krygsman understands and agrees to the following penalty and conditions:

1. Universal Corporation will pay a fine of $14,000 within eight (8) months after the date of the Decision of the Discipline Committee on this matter.

2. Krygsman will pay a fine of $10,000 within eight (8) 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

A. Having reviewed and considered the Agreed Statement of Facts, the Chair of the Discipline Committee (*TRESA 2002*) concluded that the Respondent, UNIVERSAL CORPORATION OF CANADA (REALTY) LTD., breached Sections 2(a) and/or 2(b) of the *TRESA 2002* Code of Ethics; and Sections 13(1)(a)(b) and 14 of the Educational Requirements, Insurance, Records and Other Matters Regulations of O. Reg 579/05; and Section 27(1)(c) of the Act.

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. UNIVERSAL CORPORATION OF CANADA (REALTY) LTD. is ordered to pay a fine in the amount of $14,000.00, payable to RECO, within eight (8) months after the date of the Decision of the Discipline Committee on this matter.

B. Having reviewed and considered the Agreed Statement of Facts, the Chair of the Discipline Committee (*TRESA 2002*) concluded that the Respondent, KRYGSMAN, Pauline Apolonia, registered as KRYGSMAN, Pauline, breached Sections 2(a) and/or 2(b) of the *TRESA 2002* Code of Ethics; and Sections 13(3)(a)(b) of the Educational Requirements, Insurance, Records and Other Matters Regulations of O. Reg 579/05; and Section 12(2) of the Act.

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. KRYGSMAN, Pauline Apolonia, registered as KRYGSMAN, Pauline, is ordered to pay a fine in the amount of $10,000.00, payable to RECO, within eight (8) months after the date of the Decision of the Discipline Committee on this matter.

Released: October 8, 2026