

**IN THE MATTER OF**

The Registrar, *Trust in Real Estate Services Act, 2002*,  
S.O. 2002, Chapter 30, Schedule C, as amended  
(formerly, the *Real Estate and Business Brokers Act, 2002*) (the “**Act**”)

- and -

The registration of **RAKESH KUMAR** as a Broker under the Act

- and -

The registration of **2823711 ONTARIO LIMITED** registered as **ROYAL KEY BROKERAGE** as  
a Brokerage under the Act

**NOTICE OF PROPOSAL TO REVOKE REGISTRATION**

**WHEREAS** Rakesh Kumar (“**Kumar**”) is registered as a Broker under the Act;

**AND WHEREAS** 2823711 Ontario Limited, registered as Royal Key Brokerage (the  
“**Brokerage**”), is registered as a Brokerage under the Act;

**AND WHEREAS** section 13 of the Act provides that the Registrar may revoke a registration if in  
the Registrar’s opinion a registrant is not entitled to registration under section 10 of the Act;

**AND WHEREAS** section 14 of the Act provides that where the Registrar proposes to revoke the  
registration, the Registrar shall serve notice of the proposal on the registrant;

**AND WHEREAS** in the Registrar’s opinion the registrant subjects of this proposal are not entitled  
to registration under section 10 of the Act and the Registrar proposes to revoke the said  
registrations for the reasons that follow.

## **A. REASONS**

1. Kumar is not entitled to registration because:
  - a) Pursuant to section 10(1)(a)(ii) of the Act because in the Registrar's opinion, Kumar's past and present conduct affords reasonable grounds for belief that Kumar will not carry on business in accordance with law and with integrity and honesty; and
  - b) Pursuant to section 10(1)(g) of the Act because Kumar's continued registration would be contrary to the public interest.
2. The Brokerage is not entitled to registration because:
  - a) Pursuant to section 10(1)(b)(iii) of the Act because the past and present conduct of its officers and directors, namely Kumar, affords reasonable grounds for belief that its business will not be carried on in accordance with law and with integrity and honesty; and
  - b) Pursuant to section 10(1)(g) of the Act because the Brokerage's continued registration would be contrary to the public interest.

## **B. PARTICULARS**

### **IT IS ALLEGED AS FOLLOWS:**

#### Registration Particulars

3. Kumar first became registered to trade in real estate on March 15, 2022.
4. The Brokerage first became registered to trade in real estate on August 16, 2021.
5. Kumar is the Brokerage's broker of record, sole shareholder, sole director and operating mind.

### Fraudulent Employment Letters

6. In or around early 2023, Kumar hosted a first-time home buyer presentation where he met Consumer A (“**Consumer A**”) and Consumer B (“**Consumer B**”)
7. Consumer A and Consumer B were first time homebuyers who had concerns about qualifying for a mortgage given their employment and financial circumstances.
8. Kumar advised Consumer A and Consumer B that they need not worry about qualifying for a mortgage, as he would place them on a “payroll” for three months and provide them with proof of employment documentation, that would allow them to qualify for a mortgage of up to approximately \$700,000.00. This arrangement was presented to Consumer A and Consumer B as a benefit of the services offered by Kumar and the Brokerage.

### Fraudulent Employment Scheme

9. After Consumer A and Consumer B agreed to retain Kumar’s services, he provided them each with employment letters which falsely indicated that they were salaried employees of shell companies owned by Kumar and his spouse.
10. More specifically, the employment letters stated, among other things, that:
  - Consumer A was employed as a fully remote “IT Devops Engineer” with Company A since April 24, 2023, earning \$98,000.00 annually; and
  - Consumer B was employed as a software engineer with Company B since February 27, 2023, earning \$100,000.00 annually.
11. The employment letters were signed by Kumar (on behalf of Consumer B) and by his wife (on behalf of Consumer A), in their stated capacities as officers of the companies.
12. Kumar’s mortgage scheme involved the acceptance of funds from Consumer A and Consumer B in cash, with which he would subsequently issue cheques to them on a bi-weekly basis in equivalent amounts on behalf of the aforementioned companies. These cheques were then deposited into Consumer A and Consumer B’s bank accounts to support the narrative that they were salaried employees receiving legitimate payroll income.

13. The arrangement orchestrated by Kumar was designed to misrepresent income and employment history to potential lenders.
14. Kumar charged Consumer A and Consumer B approximately \$8,000.00 for the services he rendered in providing them with the employment letters, and an additional \$5,000.00 for the handling of the mortgage approval process.

#### Submission of False Information to a Chartered Bank

15. On June 17, 2023, Consumer A and Consumer B entered into an Agreement of Purchase and Sale for a residential property in City A, Ontario, at a purchase price of \$801,000, with a \$25,000 deposit.
16. The agreement contained no financing or inspection conditions. Due to the assurances provided by Kumar and his colleague(s) that they were already qualified for financing through the use of his shell companies, Consumer A and Consumer B felt no need to insist on a financing condition.
17. Consumer A and Consumer B were initially approved for a mortgage with the National Bank of Canada at 5.89% over a 4-year term over a 30-year amortization. The mortgage application submitted to [Bank A] included the aforementioned false employment and income information connected to Kumar and his wife's companies.
18. According to the [Bank A]'s records, the application was ultimately denied due to a false declaration.
19. Following the denial, Kumar advised Consumer A and Consumer B that their only option was to proceed with non-bank "B" lenders, warning that failure to do so would result in the loss of their deposit and potential legal action by the sellers of the property. As a result:
  - Consumer A and Consumer B secured a mortgage of \$620,994 at 7.24% interest, instead of the previously approved 5.89% rate; and
  - The remaining financing to complete the transaction was arranged through a promissory note loan in the amount of \$74,800 at 14% interest, arranged by a colleague of Kumar's, together with substantial legal and other related fees.

### **C. RIGHT TO A HEARING**

Take notice that Section 14 of the Act provides that a registrant is entitled to a hearing by the Licence Appeal Tribunal (“**Tribunal**”) in respect of a proposal by the Registrar to revoke registration if WITHIN 15 DAYS after service of this Notice of Proposal (deemed to be on the third day after mailing by registered mail), the registrant mails or delivers notice in writing that a hearing is required to the following parties:

**TO:** The Registrar  
Licence Appeal Tribunal  
15 Grosvenor St., Ground Floor  
Toronto, ON M7A 2G6

**AND TO:** Registrar  
Real Estate Council of Ontario  
3300 Bloor Street  
West Tower, Suite 1400  
Toronto, ON M8X 2X2

Section 14(4) of the Act provides that where the registrant does not require a hearing by the Tribunal, the Registrar may carry out the proposal. Any person who, while not registered, trades in real estate, subject to exceptions enumerated in the Act, is in contravention of the Act and is liable to prosecution.

Section 14(5) of the Act provides that where the registrant requires a hearing by the Tribunal, the Tribunal shall hold the hearing and may by order direct the Registrar to carry out the Registrar’s proposal, or may substitute its opinion for that of the Registrar and the Tribunal may attach conditions to its order or to a registration.

If a registrant requires a hearing regarding this proposal and further wishes to be represented by a lawyer or agent at the hearing, it is strongly advised that the registrant make these arrangements as soon as possible. The Registrar reserves the right to oppose any request by the registrant for an adjournment of the hearing in order for the registrant to make such arrangements.

### **D. NOTICE OF MOTION FOR COSTS**

If a hearing is requested as described in Section C and, at any time during the course of proceedings arising from this request, the Registrar believes the registrant has acted unreasonably, frivolously, vexatiously or in bad faith, the Registrar will make a request for an award of costs from the Tribunal, such costs to be paid by the registrant.

### **E. APPLICATION OF THE STATUTORY POWERS PROCEDURE ACT**

The Statutory Powers Procedure Act, R.S.O. 1990, Chapter S.22 as amended (“SPPA”) applies to the Tribunal. Section 8 of the SPPA provides as follows:

8. Where the good character, propriety of conduct or competence of a party is an issue in a proceeding, the party is entitled to be furnished prior to the hearing with reasonable information of any allegations with respect thereto.

If a hearing is held as required by the registrant the Registrar states that the good character, propriety of conduct or competence of the registrant shall be an issue in the hearing and the Registrar has provided herein reasonable information of allegations with respect thereto.

### **F. FURTHER PARTICULARS/SUPPLEMENTAL NOTICE**

The registrant may be sent further or other particulars in respect of any matter herein or in respect of any other matter including further grounds for revocation of registration.

Glen Thomas, Registrar (Interim) *Trust  
in Real Estate Services Act, 2002*

Date February 23, 2026