

**IN THE MATTER OF**

The Registrar, *Trust in Real Estate Services Act, 2002*,  
S.O. 2002, c.30, Schedule C and Regulations thereto, as amended (the Act)

- and -

The registration of Penny Lynn Torontow registered as Penny Torontow,  
as a Broker under the Act

- and –

The registration of 1<sup>st</sup> Options Realty Ltd. o/a Assist 2 Sell 1<sup>st</sup> Options Realty  
as a Brokerage under the Act

**NOTICE OF PROPOSAL TO REVOKE REGISTRATION**

**WHEREAS** Penny Lynn Torontow, trade name Penny Torontow (Torontow) is registered as a broker and 1st Options Realty Ltd. o/a Assist 2 Sell 1st Options Realty (1<sup>st</sup> Options) 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 Torontow and 1<sup>st</sup> Options are not entitled to registration under Section 10 of the Act and the Registrar proposes to revoke the registration of Torontow as a broker and 1<sup>st</sup> Options as a brokerage under the Act for the reasons that follow.

## A. REASONS

1. The Registrar relies on the following grounds to revoke the registration of Torontow:

- a) Under section 10(1)(a)(ii) of the Act, Torontow's past and present conduct affords reasonable grounds for belief that Torontow will not carry on business in accordance with law and with integrity and honesty; and

2. The Registrar relies on the following grounds to revoke the registration of 1<sup>st</sup> Options:

- a) Under section 10(1)(b)(iii) of the Act, the past and present conduct of Torontow, its officer and director, affords reasonable grounds for belief that 1<sup>st</sup> Options' business will not be carried on in accordance with the law and with integrity and honesty.

## B. PARTICULARS

### IT IS ALLEGED AS FOLLOWS:

#### Registration History

3. Torontow became registered to trade in real estate as a salesperson under the Act on or about September 13, 2002, and as a broker on February 21, 2008.
4. 1<sup>st</sup> Options became registered to trade in real estate as a brokerage under the Act on or about March 2, 2009.
5. At all times, Torontow was the sole officer, director, 100% shareholder and Broker of Record (BOR) of 1<sup>st</sup> Options.

#### **10(1)(a)(ii) and 10(1)(b)(iii) – Past and Present Conduct**

6. Under 10(1)(a)(ii) of the Act, Torontow's past and present conduct affords reasonable grounds for belief that Torontow will not carry on business in accordance with law and with integrity and honesty.
7. Under section 10(1)(b)(iii) of the Act, the past and present conduct of its officer and director, affords reasonable grounds for belief that 1<sup>st</sup> Options business will not be carried on in accordance with the law and with integrity and honesty.

### Improper Disbursements

8. On or around November 22, 2023, a RECO Inspector initiated a Trust Reconciliation Inspection of 1<sup>st</sup> Options estate trust account, practices, trade documentation and corporate compliance with the Act and its regulations (RECO Inspection). The RECO Inspection was initially a review of August, September and October 2023, however the period to be reviewed was expanded when certain inconsistencies were uncovered.
9. The RECO Inspection identified three instances of improper disbursements from 1<sup>st</sup> Options' real estate trust account (RETA) contrary to section 27(1) of the *Real Estate Business Brokers Act, 2002 (REBBA)*. These disbursements resulted in corresponding shortfalls in the RETA that were not immediately replaced as required under section 14 of Ontario Regulation 579/05 (O. Reg. 579/05) to *REBBA*.

#### *Disbursement 1*

10. On or around March 31, 2023, \$70,000 was disbursed from the RETA. This disbursement was not made in relation to any trade in real estate and was not in line with the terms of the trust, making it improper. This improper disbursement created a shortfall in the RETA of \$70,000 that was not immediately replaced as required.
11. On or around March 31, 2023, the improperly disbursed \$70,000 was transferred from 1<sup>st</sup> Options' RETA to its General Account (GA). 1<sup>st</sup> Options then debited the GA of the \$70,000 by way of a bank draft. These acts constitute a misappropriation of trust funds.
12. At all times, Torontow facilitated, and as BOR, authorized the improper disbursement from the RETA that resulted in the shortfall of the RETA. Torontow also debited the GA by way of the bank draft.

#### *Disbursement 2*

13. On or around April 21, 2023, \$31,000 was disbursed from the RETA to the GA. This disbursement was earlier than the agreed term of the trust to complete a contracted transaction on April 28, 2023, making it improper.

14. This second improper disbursement created a further shortfall of the RETA totaling \$101,000, that was not immediately replaced as required.
15. On or around April 21, 2023, 1<sup>st</sup> Options transferred \$39,500, issued a cheque for \$4,000 and made a payment of \$517.88 out of the GA, leaving a balance of \$4,749.76 in the GA. These acts constituted a misappropriation of trust funds.
16. At all times, Torontow facilitated, and as BOR, authorized the improper disbursement from the RETA that resulted in the further shortfall of the RETA. Torontow also made the transfer, the cheque and the payment of the improperly disbursed funds out of the GA.
17. On or around May 16, 2023, \$112,000 was transferred into the GA from an account not associated with 1<sup>st</sup> Options. On the same day, \$101,000 was transferred from the GA to the RETA to replace the shortfall.

### *Disbursement 3*

18. On or around October 23, 2023, \$60,000 was disbursed from the RETA. This disbursement was not made in relation to any trade in real estate and was not in line with the terms of the trust, making it improper. This improper disbursement created a shortfall in the RETA of \$60,000 that was not immediately replaced as required.
19. On or around October 23, 2023, the improperly disbursed \$60,000 was transferred from 1<sup>st</sup> Options' RETA to its GA. Prior to this transfer, 1<sup>st</sup> Options' GA had a balance of \$0.00.
20. On or around October 23, 2023, after the transfer of the improperly disbursed funds, 1<sup>st</sup> Options debited the GA of \$57,009.95 by way of a bank draft and its associated fee and made two transfers and a payment totaling \$2,385.97 out of the GA, leaving a balance of \$604.08. These acts constituted a misappropriation of trust funds.
21. At all times, Torontow facilitated, and as BOR, authorized the improper disbursement from the RETA that resulted in the shortfall of the RETA. Torontow also issued the draft, transfers and payment from the GA.
22. The note made on the RETA reconciliation worksheet prepared by 1<sup>st</sup> Options for October 2023 (October 2023 Reconciliation), falsely noted the improper disbursement of \$60,000 as a "transfer error".

23. On or around November 22, 2023, 1<sup>st</sup> Options received notice from RECO of the RECO Inspection.
24. On or around November 27, 2023, Torontow, as BOR, reviewed and signed off on the October 2023 Reconciliation with full knowledge of its inaccuracy.
25. On or around November 30, 2023, \$60,000 was transferred into the GA from an account not associated with 1<sup>st</sup> Options. On the same day, \$60,000 was transferred from the GA to the RETA to replace the shortfall.

*Torontow's Admissions Re: Improper Disbursements*

26. During the course of the RECO Inspection and in communications with a RECO investigator, Torontow admitted that in regard to Improper Disbursements 1 and 3, the funds went to herself and were lost in connection with a financial investment scam she had personally fallen victim to.
27. In regards to Disbursement 2, Torontow did not provide an explanation for the early disbursement from the RETA or where these funds went.

Other Deficiencies

28. The RECO Inspection uncovered other instances of deficiencies or conduct contrary to *REBBA* and its Regulations attributable to Torontow and/or 1<sup>st</sup> Options:
  - a) 1<sup>st</sup> Options failed to prepare the monthly real estate trust account reconciliations (RETA Reconciliations) on two occasions, March and April 2023, as required under section 13 of O. Reg. 579/05 during the one-year period reviewed by the RECO Inspector. The BOR is responsible for reviewing, signing and dating the RETA Reconciliations within 30 days, which Torontow as the BOR failed to do.
  - b) The RETA Reconciliations prepared by 1<sup>st</sup> Options for September and October 2023 indicated there was a "Miscellaneous Outstanding" transaction noted as a "CREDIT MEMO" overpayment into the RETA of \$10,000 since July 31, 2023. The funds were only transferred to the GA to correct this overpayment on November 27, 2023.

Provincial Offences Charges

- 29. On November 10, 2025, an Information was sworn by a RECO Provincial Offences Officer charging 1<sup>st</sup> Options with two (2) counts under *REBBA* and its associated Regulations in relation to the conduct uncovered during the RECO inspection.
- 30. On November 10, 2025, an Information was sworn by a RECO Provincial Offences Officer charging Torontow with one (1) count under *REBBA* and its associated Regulations in relation to the conduct uncovered during the RECO inspection.
- 31. The disposition of these charges is pending before the courts.

**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 (the “Tribunal”) in respect of a proposal by the Registrar to revoke registration if WITHIN 15 DAYS after service of this notice (deemed to be on the third day after mailing by registered mail) that the Registrar proposes to revoke the registration, the Registrant mails or delivers notice in writing that a hearing is required to the following parties:

The Registrar Licence Appeal Tribunal 15 Grosvenor Street, Ground Floor Toronto, Ontario M7A 2G6	<b>AND TO:</b>	The Registrar Real Estate Council of Ontario 1400-3300 Bloor St. W, West Tower Toronto, ON M8X 2X2
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Section 14(4) of the Act provides that where the **Applicant/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 is, subject to exceptions enumerated in the Act, in contravention of the Act and is liable to prosecution.

Section 14(5) of the Act provides that where a registrant requires a hearing by the Tribunal, the Tribunal shall appoint a time for and 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  
*Trust in Real Estate Services Act, 2002*

Date: March 20, 2026