

**IN A MATTER BEFORE THE DISCIPLINE COMMITTEE OF THE REAL ESTATE
COUNCIL OF ONTARIO**

BETWEEN

REAL ESTATE COUNCIL OF ONTARIO (“**RECO**”)

AND

UNIVERSAL HOME REALTY INC. and KAI REN

Respondents

ALLEGATION STATEMENT

WHEREAS the respondent, Universal Home Realty Inc. (“**Universal**”) is registered as a brokerage under the *Trust in Real Estate Services Act, 2002* (“**Act**”) and the respondent, Kai Ren (“**Ren**”), is registered as a broker under the Act;

AND WHEREAS section 20 of the Act provides that if the Registrar is of the opinion, whether as a result of a complaint or otherwise, that a registrant has contravened any provision of the Act or

of a regulation under the Act, the Registrar may refer the matter in whole or in part to the Discipline Committee of RECO (“**Discipline Committee**”);

AND WHEREAS section 21 of the Act provides that the Discipline Committee shall hear and determine whether a registrant has contravened any provision of the Act or of a regulation under the Act;

THEREFORE, take notice that pursuant to section 20 of the Act, the Registrar hereby refers this matter to a hearing before the Discipline Committee based on the allegations set out herein.

A. PARTICULARS

It is alleged as follows:

1. At all relevant times, Universal was a registered brokerage.
2. At all relevant times, Ren was a registrant and the designated Broker of Record for Universal.

Brokerage Inspection

3. A brokerage inspection of Universal was carried out by a RECO Inspector on July 7, 2025, pursuant to a Notice of the Inspection provided to Universal on or about June 9, 2025.
4. The inspection identified a number of issues with the operation of Universal’s real estate trust account (“**RETA**”) and with the preparation of reconciliation statements as required by the Act.
5. In particular, the following issues were identified:
 - a) reconciliation statements for the months of January 2025 through April 2025 were not prepared in a timely manner;
 - b) reconciliation statements for January and February 2025 (which were not prepared until June 2025) were not completed correctly;
 - c) a recurring shortfall in the RETA from January to June 2025 was due to a deposit payment of approximately \$73,000 not being deposited into the RETA until June 11, 2025, which was approximately 5 months after it was required to be deposited;

- d) a further shortfall in the RETA from March to June 2025 was due to commission funds being paid out from the RETA as part of the closing of the transaction for which the deposit payment had not been deposited, so that the funds to pay the commissions were taken from other deposit payments being held in the RETA; and
- e) bank account fees for the RETA were being paid out of the RETA.

B. SUMMARY OF ALLEGATIONS

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

- A. By failing to deposit trust funds and do within five (5) business days, contrary to section 27(1) of the Act and s. 17(1) of the General Regulation, O. Reg 567/05;
- B. By failing to prepare trust account reconciliations within 30 days after the last day of the month, contrary to sections 13(1) and (2) of the Educational Requirements, Insurance, Records and Other Matters Regulation, O. Reg 579/05;
- C. By disbursing money not in accordance with the terms of the trust (in relation to disbursing funds out of the RETA for commissions when the funds to draw from had not been deposited), contrary to section 27 of the Act; and
- D. By engaging in disgraceful, dishonourable, unprofessional or unbecoming conduct, and/or conduct likely to bring the sector into disrepute or to undermine public confidence in the regulation of registrants, because of the actions/omissions set out in paragraphs A through C, contrary to section 2 of the Code of Ethics, O. Reg 365/22.

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

- E. By failing to comply with the legislative requirements for the preparation and completion of RETA reconciliation statements, contrary to section 13(3) of the Educational Requirements, Insurance, Records and Other Matters Regulation, O. Reg 579/05;
- F. By failing to ensure the brokerage (Universal) complied with the Act and the regulations in relation to the various breaches of the Act and regulations by Universal as set out in paragraphs A to C above, contrary to section 12 of the Act; and

G. By engaging in disgraceful, dishonourable, unprofessional or unbecoming conduct, and/or conduct likely to bring the sector into disrepute or to undermine public confidence in the regulation of registrants, because of the actions/omissions set out in paragraphs E and F, contrary to section 2 of the Code of Ethics, O. Reg 365/22.

It is alleged that Universal and/or Ren 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.

Sole proprietor

(3) If a brokerage is a sole proprietorship, it shall designate the sole proprietor as the broker of record even though other brokers may be employed by the brokerage.

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 alleged that Universal and/or Ren 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 the regulation of registrants under the Act.

It is alleged that Universal and/or Ren failed to comply with the following sections of the General Regulation, O. Reg 567/05:

Deposit within five business days

17. (1) If an amount of money comes into a brokerage's hands in trust for another person in connection with the brokerage's business, the brokerage shall deposit the amount in the trust account maintained under section 27 of the Act within five business days.

(2) In subsection (1), "business day" means a day that is not,

- (a) Saturday, or
- (b) a holiday within the meaning of section 87 of the Legislation Act, 2006.

It is alleged that Universal and/or Ren 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.

C. APPLICATION OF THE STATUTORY POWERS PROCEDURE ACT

The *Statutory Powers Procedure Act*, R.S.O. 1990, Chapter S.22 ("**SPPA**"), as amended, applies to matters before the Discipline Committee. 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.

RECO states that propriety of conduct or competence shall be an issue in the hearing and RECO has provided herein information of the allegations with respect thereto.

D. FURTHER PARTICULARS / ALLEGATIONS

RECO may send further or other particulars or allegations relevant to this matter or the allegations set out herein. RECO may rely upon such other matters that arise during a hearing of this matter and that the Discipline Committee sees fit to consider.

Date: January 9, 2026

Lisa Key, Registrar
Trust in Real Estate Services Act, 2002