

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

BETWEEN

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

Applicant

AND

KHAN ZAIB

Respondent

ALLEGATION STATEMENT

WHEREAS the respondent was registered as a broker under the *Trust in Real Estate Services Act, 2002* (“**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, Zaib was employed at Brokerage A (the "Brokerage").
2. Zaib was the Broker of Record of the Brokerage.
3. Zaib was also the Director and Chief Officer/Manager of the Brokerage.
4. On or around March 27, 2025 a Coordinator in the Audit & Inspections department at RECO (the "**Coordinator**") emailed Zaib informing him that an inspection of the Brokerage had been scheduled for April 24, 2025 at 9:30am, pursuant to s. 21.2 of TRESA.
5. The Coordinator requested that Zaib complete a pre-inspection questionnaire and provide the required documents by April 10, 2025.
6. Zaib did not complete the pre-inspection questionnaire, provide the required documents, or respond to the email request from March 27, 2025.
7. On or around April 1, 2025, the Coordinator called and emailed Zaib to inform him once again about the scheduled inspection, pre-inspection questionnaire, and required documents.
8. Zaib did not complete the pre-inspection questionnaire, provide the required documents, or respond to the email or phone call from April 1, 2025.
9. On or around April 4, 2025, the Coordinator emailed Zaib, and informed him once again about the scheduled inspection, pre-inspection questionnaire, and required documents.
10. Zaib did not complete the pre-inspection questionnaire, provide the required documents, or respond to the email request from April 4, 2025.
11. On or around April 10, 2025, the Supervisor of Audit & Inspections (the "**Supervisor**"), emailed Zaib requesting a response by April 17, 2025.
12. Zaib did not respond to the Supervisor's email request from April 10, 2025.
13. On or around April 21, 2025, a Reminder Letter addressed to Zaib was sent via Purolator to the Brokerage located at 145 Traders Boulevard East, Unit #13, Mississauga, ON.
14. On or around April 22, 2025, the Coordinator was notified by Purolator that the letter was not delivered due to the recipient having moved.

15. On or around June 27, 2025, the Brokerage ceased to be registered with RECO due to its failure to renew.
16. On or around June 30, 2025, Zaib transferred to Brokerage B (“Brokerage B”).
17. On or around September 1, 2025, Zaib’s RECO registration was suspended due to non-payment of professional liability insurance.

B. SUMMARY OF ALLEGATIONS

It is alleged that Zaib failed to comply with the Act as follows:

- A. Zaib, as Broker of Record of the Brokerage, failed to ensure that the Brokerage complied with the Act and the Regulations contrary to section 12(2) of the Act.
- B. Zaib, as Broker of Record of the Brokerage, failed to produce records and/or requested documents for inspection contrary to s. 21.2(7) of the Act.
- C. Zaib, as Broker of Record of the Brokerage, did not respond to inspection requests from RECO contrary to s. 21.2(10) of the Act.

It is alleged that Zaib failed to comply with the following sections of the Act:

Duties

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

Obligation to produce and assist

21.2 (7) If an inspector demands that a record or other thing be produced for inspection, the person having custody of the record or other thing shall produce it for the inspector within the time provided for in the demand, and shall, upon the inspector’s demand,

- (a) provide whatever assistance is reasonably necessary to produce a record or other thing in a readable form, including using any data storage, processing or retrieval device or system; and
- (b) provide whatever assistance is reasonably necessary to interpret a record or other thing for the inspector.

No obstruction

(10) No person shall obstruct an inspector conducting an inspection or a person accompanying the inspector under subsection (3) or withhold from the inspector or other person or conceal, alter or destroy any record or other thing that is relevant to the inspection.

It is alleged that Zaib failed to comply with the General Regulation (O. Reg. 567/05) as follows:

- A. Zaib, as Broker of Record of the Brokerage, failed to provide the required information to the Registrar after becoming aware that the Brokerage would cease to be registered, contrary to section 35(1) of the General Regulation.
- B. Zaib, as Broker of Record of the Brokerage, failed to provide the required information to the Registrar after the Brokerage ceased to be registered, contrary to section 35(2) of the General Regulation.

It is alleged that Zaib failed to comply with the following sections of the General Regulation (O. Reg. 567/05):

Information for registrar

35.(1) A brokerage shall provide the following to the registrar as soon as possible after becoming aware that it will cease to be registered:

- 1. A letter setting out the exact date that the brokerage will cease to be registered.
- 2. A copy of a letter that has been sent to all clients of the brokerage, advising them that the brokerage will cease to be registered and will be prohibited from trading in real estate as a brokerage.

(2) A brokerage shall provide the following to the registrar as soon as possible after it ceases to be registered:

- 1. A letter setting out the exact date the brokerage ceased to be registered, if a letter setting out that date was not provided under paragraph 1 of subsection (1).
- 2. A copy of a letter that has been sent to all clients of the brokerage, advising them that the brokerage has ceased to be registered and is prohibited from trading in real estate as a brokerage, if a copy of a letter was not provided under paragraph 2 of subsection (1).

3. For each trust account maintained under section 27 of the Act, a statement from the financial institution in which the account is maintained that indicates the balance in the account on the date the brokerage ceased to be registered, together with a trust account reconciliation statement prepared by the brokerage that identifies the following as of the date the brokerage ceased to be registered:
 - i. The differences, if any, between the brokerage's records and the records of the financial institution.
 - ii. The balances in the trust account.
 - iii. The real estate, if any, to which each balance relates.
 - iv. The persons, if known, who are entitled to each balance.
 - v. Each balance for which it is not known what persons are entitled to it.
4. If the brokerage holds property other than money in trust for another person in connection with the brokerage's business, a statement prepared by the brokerage that, for each of the properties held in trust, describes the property and identifies the following as of the date the brokerage ceased to be registered:
 - i. The place where the property is kept.
 - ii. The real estate, if any, to which the property relates.
 - iii. The person who is entitled to the property, if the person is known, or an indication that the person who is entitled to the property is not known, if the person is not known.
5. A statement prepared by the brokerage that identifies any changes that occur after the date the brokerage ceases to be registered to the information that is set out in a statement under paragraph 3 or 4 or this paragraph.
6. A list of all trades in real estate that were pending on the date the brokerage ceased to be registered and that relate to the balance in a trust account maintained under section 27 of the Act or to other property held in trust by the brokerage.
7. The names, addresses, telephone numbers and other contact information that is on file with the brokerage for all clients of the brokerage who were involved in business that was outstanding on the date the brokerage ceased to be registered.
8. A financial statement that sets out the assets and liabilities of the brokerage as of the date the brokerage ceased to be registered and

a list of the brokerage's creditors and the amounts that are owed to them as of that date.

9. A letter setting out the location where the brokerage's business records relating to trading in real estate will be kept.

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 complaint and that the Discipline Committee sees fit to consider.

Lisa Key, Registrar (Interim)
Trust in Real Estate Services Act, 2002

Date: January 20, 2026