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**IN THE MATTER OF A DISCIPLINE HEARING HELD PURSUANT TO THE  
*TRUST IN REAL ESTATE SERVICES ACT, 2022***

**BETWEEN:**

**REAL ESTATE COUNCIL OF ONTARIO**

**- AND -**

**HUSSEIN KABANI**

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**DISCIPLINE DECISION AND REASONS FOR DECISION**

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Subject to Rule 4.02 of the Discipline and Appeals 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:

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**FINDINGS:** In violation of Sections 8(1) and 9(1) of the *TRESA 2002* Code of Ethics and Section 22(1) of the General Regulation.

**ORDER:** Fine of \$ 9,000.00 payable to RECO on or before June 19, 2026 (not later than 365 days after the date of the Decision of the Discipline Committee on this matter).

Successful completion of the “Introduction to TRESA” course and provide proof of completion to RECO not later than 90 days after the date of the Decision of the Discipline Committee on this matter and provide proof of completion to RECO within 60 days of completion of the course.

**WRITTEN REASONS:**

**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, Hussein Kabani (“Kabani”) was employed at Brokerage A.
2. At all relevant times, Registrant A (the “Buyer Representative”) was a salesperson employed at Brokerage B.
3. In or around the fall of 2023, the owner of a condominium property (the “Seller” or the “Complainant”) located at 1 – 1-A Street, City A, Ontario (the “Property”) decided to sell the Property.
4. On or about September 5, 2023, the Seller retained Brokerage A to sell the Property, with Kabani acting as the selling representative.
5. On or about November 4, 2023, a new seller representation agreement was entered to reduce the asking price of the Property from \$675,000.00 to \$639,995.00.
6. A prospective buyer of real estate (the “Buyer”) had retained Brokerage B to represent them in finding and purchasing a property, with the Buyer Representative acting as the buying representative.
7. On or about December 19, 2023, on behalf of the Buyer, the Buyer Representative emailed Kabani with an offer to purchase the Property.
8. Through Kabani, on or about December 20, 2023, the Seller made a counteroffer to the Buyer. The counteroffer was accepted by the Buyer on December 20, 2023, at approximately 5:40 p.m., resulting in a conditional agreement of purchase and sale (the “APS”).
9. The APS was conditional upon a home inspection and satisfactory review of the status certificate. The APS was scheduled to close on January 31, 2024.
10. The APS also required the Buyer to submit, within 24 hours of acceptance of the APS, a deposit of \$40,000.00 by negotiable cheque to be held in trust by Brokerage A (the “deposit”).
11. Schedule B of the APS contained a provision stating that the Seller could terminate the APS if the deposit was not received within 24 hours of acceptance of the APS.
12. The Buyer Representative advised Kabani that the deposit funds would be provided by international wire transfer.

13. On multiple occasions over the following weeks, the Buyer Representative advised Kabani, that the deposit funds would be sent, or had been sent and provided copies of purported transfers. However, the wires were not made and the deposit funds never materialized at Brokerage A.
14. The Seller was not advised that Brokerage A had not received the deposit.
15. On December 22, 2023, the Buyer's home inspection was completed and the home inspection condition in the APS was waived.
16. Kabani advised the Seller that they were now only waiting for the status certificate. Kabani did not disclose that his brokerage was still waiting for receipt of the deposit funds.
17. On or about January 8, 2024, Kabani obtained a copy of the status certificate and provided it to the Buyer Representative for the Buyer's review. On or about January 10, 2024, the Buyer waived the status certificate condition, which waiver was acknowledged by the Seller on January 11, 2024.
18. On or about January 12, 2024, Kabani made a post to Instagram representing that he had sold the Property.
19. On or about January 17, 2024, in a WhatsApp group chat between the Seller, Kabani, and Mr Kabani's assistant, Individual A, the Seller asked for confirmation that the deposit funds had been received.
20. Later that evening, Individual A replied that she would send everything to the Seller and the lawyers, including the deposit receipt, by January 19, 2024, at the latest. This reassured the Seller.
21. On or about January 19, 2024, Individual A advised the Seller in the WhatsApp group chat that the deposit funds had not yet been received.
22. This was the first time the Seller learned that the deposit funds had not been received as required by the APS. This was 29 days after the deposit funds were required by the APS to have been provided, and only 12 days before closing.
23. On behalf of Kabani, Individual A advised the Seller that the deposit was being transferred via international wire transfer, which required further verification resulting in a hold; that there was not yet anything to worry about; that such deposits take longer than normal local deposits; that the APS was legally binding regardless of the receipt

of the deposit; and that deposits are a “good faith” item but do not negate a buyer’s obligation to complete a purchase.

24. Although Kabani and the Buyer Representative maintained regular contact in respect of the Buyer’s apparent attempts to provide deposit funds, no deposit funds were ever received by Brokerage A.
25. The Buyer failed to close on the terms of the APS on January 31, 2024.
26. The Seller retained a new brokerage to sell the Property.

## SUMMARY OF AGREEMENTS

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

- A. For a period of 29 days, Kabani failed to advise and counsel the Seller in respect of the fact that his brokerage had not received the deposit funds as required by the APS, contrary to sections 8(1) and 9(1) of the Code of Ethics, and section 22.1(1) of the General Regulation.

### **It is agreed that Kabani failed to comply with the Code of Ethics (O. Reg. 580/05) and the General Regulation as follows:**

#### Best interests

8. (1) A registrant that represents a client shall promote and protect the best interests of the registrant’s clients.

#### Conscientious and competent service, etc.

9. (1) A registrant shall provide conscientious, courteous and responsive service to clients and demonstrate reasonable knowledge, skill, judgment and competence in providing such service.

#### Material facts

22.1 (1) A broker or salesperson who represents a client in respect of the acquisition or disposition of a particular interest in real estate shall,

- (a) take reasonable steps to determine the material facts relating to the acquisition or disposition;
- (b) disclose the material facts to the client as soon as possible after the determination; and

(c) advise the client to consider whether the material facts affect their decision to acquire or dispose of the interest. O. Reg. 357/22, s. 12; O. Reg. 235/23, s. 10 (1).

**AGREED PENALTY**

**The Respondent understands and agrees to the following penalty:**

To pay a fine of **\$9,000.00** not later than 365 days after the date of the Decision of the Discipline Committee on this matter.

To successfully complete the following courses or programs by the identified completion date:

<b>Course Title (Provider)</b>	<b>Completion date</b>
Introduction to TRESA.	Not later than 90 days after the date of the Decision of the Discipline Committee on this matter.

To provide proof of completion to RECO within 60 days of completion of the courses.

**Respondent acknowledgements:**

1. I acknowledge that I have read and understand the penalty outlined herein and agree to the said terms and/or conditions.
2. I acknowledge my right to seek legal counsel in this matter before signing this agreement.
3. I agree, understand, acknowledge and consent to waiving my 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**

Having reviewed and considered the Agreed Statement of Facts, the Chair of the Discipline Committee (*TRESA 2002*) concluded that the Respondent breached Sections 8(1) and 9(1) of the *TRESA 2002* Code of Ethics, and Section 22.1(1) of the General Regulation. 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. KABANI, HUSSEIN is ordered to pay a fine in the amount of \$9,000.00, payable to RECO, not later than 365 days after the date of the Decision of the Discipline Committee on this matter.
2. KABANI, HUSSEIN is ordered to successfully complete the “Introduction to TRESA” courses or programs not later than 90 days after the date of the Decision of the Discipline Committee on this matter and provide proof of completion to RECO within 60 days of completion of the courses.

*[Released: June 20, 2025]*