



News

Release

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The Real Estate Council of Ontario (RECO) is responsible for administering the Real Estate and Business Brokers Act, 2002 and associated regulations on behalf of the provincial government.

In order to trade in real estate in Ontario, brokers and salespersons must be registered under the Real Estate and Business Brokers Act, 2002.

RECO's mission is to regulate the activity of trading in real estate in the public interest.

For more information about the Real Estate Council of Ontario, visit www.reco.on.ca.

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Trading in real estate without registration leads to jail

Tuesday, Aug. 24, 2010 (BARRIE, ON) – An Alliston man who traded in real estate without being registered and defrauded potential investors in the Barrie area of almost \$90,000 was sentenced to 15 months in jail today and ordered to pay restitution.

Terry D. Graham, who was wanted on a bench warrant after failing to appear on two similar charges in Mississauga last week, must also serve two years probation beginning on the date of his release. Sentencing related to the Mississauga charges is pending.

Tim Snell, counsel for the Real Estate Council of Ontario (RECO), had asked that Mr. Graham receive a sentence of 18 to 20 months in jail.

The sentence follows a guilty plea in April to eight counts of trading in real estate while unregistered and eight counts of failing to deposit trust money. Mr. Graham, formerly of Oro, Ont., had been charged in October 2008 with six offences under the *Real Estate and Business Brokers Act, 2002* (REBBA 2002), but public response to the advisory posted on RECO's website led to additional complaints and charges.

Mr. Graham, who is not registered to trade in real estate in Ontario, had pleaded guilty to representing himself as a registered real estate salesperson and performing the services of a brokerage in real estate transactions. He also pleaded guilty to accepting trust deposits from consumers for real estate trades, and then failed to deposit the funds into a trust account as required under REBBA 2002.

"I think it's important to note that consumers were not able to recover their deposits because Mr. Graham was not registered," noted Mr. Snell, "and therefore, was not insured."

All registered real estate professionals in Ontario are required by law to participate in RECO's insurance program. Consumer deposit insurance offers protection in the event of fraud, insolvency or misappropriation of funds by a registrant.

Offences relating to REBBA 2002 and its regulations (other than the Code of Ethics) may be processed in accordance with the Provincial Offences Act. Individuals convicted of offences are subject to fines of up to \$50,000 and/or prison terms of up to two years. Corporations are subject to fines of up to \$250,000. Courts may also order convicted persons to pay compensation and make restitution.

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