

November 25, 2025

The Honourable Stephen Crawford
Minister of Public and Business Service Delivery and Procurement
College Park, 5th Floor, 777 Bay St.
Toronto, Ontario M7A 2J3

Dear Minister Crawford,

Thank you for the opportunity to respond to your letter of November 13th regarding the potential appointment of an administrator for the Real Estate Council of Ontario (RECO). RECO's Board of Directors fully recognizes the seriousness of the iPro Realty matter and its impact on consumers and real estate professionals in Ontario.

In particular, we understand this remains a profoundly challenging issue for the real estate agents and brokerages impacted by the alleged fraud at iPro Realty and the difficulty that has caused. We know the uncertainty, financial pressure and disruption to people and businesses caused by this matter are significant and we are focused on navigating this difficult period with transparency as to the actions we are taking as the regulator of the real estate services sector.

Beyond the legal action RECO has taken against iPro Realty directly, the Board has remained steadfast in our resolve to take whatever further action is necessary to restore public trust in RECO, ensure strong consumer protections are in place, and work with the insurer to support those who have been financially impacted, so that every Ontarian can feel secure and confident when purchasing, leasing, or selling a home.

To that end, RECO understands your intent in seeking to appoint an administrator, and you have my commitment that we will work collaboratively with the government to drive the reforms underway and deliver on these shared objectives.

The Board's Role and Conduct

It is important to note the governance framework that has guided RECO's response to the iPro matter. RECO, like other regulatory bodies, must maintain prosecutorial independence to ensure fairness in individual enforcement matters, including the matter related to iPro Realty. The Dentons LLP report confirmed that this structure is appropriate and reflects best practices.

The issues related to the iPro Realty matter arose because of the alleged misappropriation of funds by iPro's principals. To support the criminal investigation now underway, RECO provided information on this matter to the Peel Regional Police Service in August and was subsequently advised the matter had been referred to the Ontario Provincial Police. RECO has been in contact with the OPP and remains ready to provide any information needed to support the OPP's investigation, including the findings of a forensic audit conducted by MNP LLP at RECO's behest.



The Dentons' report concluded that RECO's former Registrar deviated from established norms within the Registrar's division. Within the regulatory division, information was not shared with other departments and key internal controls were not followed. Once the Board was informed of the iPro issues, immediate action was taken to safeguard trust funds, pursue legal remedies, and support the insurer in its consumer deposit and commission protection insurance claims process. This has meant that every impacted real estate transaction continued to close and that consumer deposit claims were paid out as quickly as possible, beginning in August.

The insurance claims process for commission protection coverage for registrants is significantly more complex, and RECO continues to support the insurer as it works to validate the commission claims and the total liabilities outstanding at iPro to ensure claimants are treated equitably. We will continue to provide regular updates to impacted registrants in close coordination with the insurer.

Swift and Decisive Action

Upon becoming aware of the iPro Realty matter, the Board responded urgently and decisively to:

- Support the CEO's decision to immediately exit RECO's Registrar and to initiate a freeze order to safeguard the brokerage's remaining funds.
- Pursue civil action against the principals of iPro Realty, supported by a full forensic audit.
- Initiate an independent review by Dentons to understand the root causes that gave rise to the issues. The report provided recommendations to improve governance and regulatory structures. The Board made this report public and has accepted all recommendations from the report directed to RECO. RECO is also committed to providing any necessary support for recommendations directed to areas that fall under the Ministry's authority.
- Actively drive these key governance and process improvements, such as monitoring regulatory action taken by the Interim Registrar to ensure it aligns with the organization's mandate and governance policies through weekly review meetings by a Regulatory Action Team comprised of executive management, the Interim Registrar and the newly appointed CEO.
- Initiate an internal review of RECO's active compliance files to identify any potential issues or practices that could present risks to consumers or impact RECO's ability to effectively fulfill its regulatory mandate. This included a further evaluation by external legal counsel that confirmed and validated RECO's assessment.

Structural and Cultural Changes

In addition to the reforms now underway, the CEO developed and the Board approved a new organizational structure that directly targets the cultural concerns raised in the Dentons report.



The resulting restructuring plan is centered on strengthening leadership, improving internal communication, and ensuring clearer accountability across the organization, leaning heavily on the strength of the leaders who understand regulatory effectiveness, operations, and the root causes of recent issues. The Board recognizes that this is already driving meaningful cultural change across RECO, including a focus on adding resources to key areas that support regulatory oversight in areas such as inspections, registration, complaint handling and litigation.

We further recognize that the public interest demands assurance that the root causes of the iPro Realty matter are being addressed in an effective, meaningful and lasting way. The reforms underway are far reaching, long term, and designed to strengthen RECO's consumer protection mandate through effective regulatory oversight.

Our Commitment

We will work collaboratively with the government and support efforts that reinforce RECO's ability to protect consumers and build on the reforms taken to date, as well as those in progress.

The Board is fully committed to completing the reforms we initiated. As stewards of the public interest, we fully recognize the responsibility we hold and the work ahead to restore public trust in RECO.

Thank you for your continued leadership in this matter. We welcome further dialogue to ensure the best possible outcome for consumers, our registrants and the real estate sector.

Sincerely,

A handwritten signature in black ink that reads 'Katie Steinfeld'.

Katie Steinfeld
Chair, Board of Directors
Real Estate Council of Ontario (RECO)

cc. Samantha E. Poisson, Deputy Minister, Ministry of Public and Business Service
Delivery and Procurement
Nancy Wittman – Assistant Deputy Minister, Ministry of Public and Business Services
Delivery and Procurement
Brenda Buchanan, Chief Executive Officer, RECO