

IN THE MATTER OF

The Registrar, *Trust in Real Estate Services Act, 2002*,
S.O. 2002, Chapter 30, Schedule C, as amended (“Act”)

- and -

The registration of Louis T. Maalouf as a brokerage under the Act

NOTICE OF PROPOSAL TO REVOKE REGISTRATION

AND WHEREAS Louis T. Maalouf (“**Maalouf**”) is registered as a sole proprietor brokerage under the Act;

AND WHEREAS section 13 of the Act provides that the Registrar may revoke a registration if in the Registrar’s opinion a registrant is not entitled to registration under section 10 of the Act;

AND WHEREAS section 14 of the Act provides that where the Registrar proposes to revoke the registration, the Registrar shall serve notice of the proposal on the registrant;

AND WHEREAS in the Registrar’s opinion the registrant subject of this proposal is not entitled to registration under section 10 of the Act and the Registrar proposes to revoke the said registration for the reasons that follow;

A. REASONS

1. Maalouf is not entitled to registration because:
 - a) Pursuant to section 10(1)(a)(ii) of the Act because in the Registrar’s opinion, Maalouf’s past and present conduct affords reasonable grounds for the belief that Maalouf will not carry on business in accordance with law and with integrity and honesty;

- b) Pursuant to section 10(1)(c) of the Act because in the Registrar’s opinion Maalouf has carried on or is carrying on activities that are in contravention of this Act or the regulations; and
- c) Pursuant to section 10(1)(g) of the Act because in the Registrar’s opinion Maalouf’s continued registration would be contrary to the public interest.

B. PARTICULARS

IT IS ALLEGED AS FOLLOWS:

Registration Particulars

- 2. Maalouf first became registered to trade in real estate as a sole proprietor brokerage, under his own name, on May 26, 1998.
- 3. Maalouf’s current two-year registration cycle ended on October 10, 2025, but Maalouf submitted an application to renew their registration (the “Renewal Application”) on September 26, 2025.

Misappropriation of Client Funds

- 4. Maalouf has misappropriated, failed to pay or retained, approximately \$40,000 in client funds without justification.
- 5. In 2020, Company A (the “Landlord”) and its representative Consumer A (“Consumer A”) retained Maalouf to assist them with finding a tenant for a commercial property located at Street A, City A, Ontario (the “Property”).
- 6. Maalouf and Consumer A agreed that the commission that the Landlord would pay Maalouf if he found a suitable tenant would be \$25,000.
- 7. On or about April 23, 2021, the Landlord and Company B (the “Tenant”) entered into a lease agreement (“Agreement”) for the Property for an annual gross rent of \$780,000, or \$65,000 per month.
- 8. In accordance with the Agreement, the Tenant provided Maalouf with a deposit of \$70,000, that was to be held in trust in Maalouf’s real estate trust account, representing the last months’ gross rent and HST.

9. Despite multiple requests from SM, Maalouf has refused to return the balance of the \$70,000 deposit after deducting the agreed upon \$25,000 (+HST) for commissions the Landlord agreed to pay Maalouf.
10. Consumer A subsequently filed a complaint (the “Complaint”) with RECO on August 22, 2023, claiming that Maalouf had misappropriated the funds.

Failure to Cooperate with the Investigation into the Complaint

11. Maalouf has failed to comply with multiple requests for information relating to the Complaint, and hence, contravened, and continues to be in contravention of, section 19(3) of the Act.
12. On October 17, 2023, November 13, 2023, and December 19, 2023, RECO sent Maalouf a written request for information respecting the Complaint, but Maalouf provided nothing.
13. On January 29, 2024, a RECO compliance officer spoke to Maalouf by telephone about the Complaint and Maalouf requested that the information about the Complaint be resent.
14. On January 31, 2024, a written request for information was sent to Maalouf by email, but Maalouf never responded.
15. On February 13, 2024, the compliance officer left a voice message for Maalouf, but he never responded.
16. Maalouf’s refusal to provide a response caused the Complaint to be escalated to a RECO investigator.
17. The investigator was eventually able to speak with Maalouf on May 10, 2024, and Maalouf agreed to provide a response to the Complaint by May 13, 2024.
18. However, to date, Maalouf has provided no information about the Complaint.

Failure to Cooperate with Inspection

19. Maalouf has failed to provide the required documentation in relation to an inspection of the brokerage, and hence, contravened, and continues to be in contravention of, section 21.2(7) of the Act.

20. On October 24, 2024, RECO sent a Notice of Inspection to Maalouf requesting that various trust account documentation be submitted to RECO on or before November 7, 2024. Maalouf submitted the documents on November 6, 2024.
21. On November 11, 2024, RECO notified Maalouf, by email, that an in-person inspection would take place on November 14, 2024, and requested additional documentation.
22. Maalouf did not respond, and another email was sent by RECO on November 12, 2024.
23. On November 14, 2024, Maalouf informed RECO that he was ill and would not be attending the scheduled inspection.
24. On November 14, 2024, a RECO inspector emailed Maalouf to inform him that the inspection would be rescheduled, conducted virtually, and requested that documents be submitted by November 21, 2024.
25. On November 14, 2024, the inspector created an online shared folder for Maalouf to upload all required documents, but Maalouf uploaded nothing.
26. On November 22, 2024, the inspector followed up with Maalouf after not receiving any documents and provided him with new deadlines. However, Maalouf never responded or submitted any documents.

C. RIGHT TO A HEARING

Take notice that Section 14 of the Act provides that a registrant is entitled to a hearing by the Licence Appeal Tribunal (the "Tribunal") in respect of a proposal by the Registrar to revoke registration if WITHIN 15 DAYS after service of this Notice of Proposal (deemed to be on the third day after mailing by registered mail), the registrant mails or delivers notice in writing that a hearing is required to the following parties:

The Registrar
Licence Appeal Tribunal
15 Grosvenor Street, Ground Floor
Toronto, Ontario M7A 2G6

AND TO: The Registrar
Real Estate Council of Ontario
1400-3300 Bloor St. W, West Tower
Toronto, ON M8X 2X2

Section 14(4) of the Act provides that where the registrant does not require a hearing by the Tribunal, the Registrar may carry out the proposal. Any person who, while not registered, trades

in real estate, subject to exceptions enumerated in the Act, is in contravention of the Act and is liable to prosecution.

Section 14(5) of the Act provides that where the registrant requires a hearing by the Tribunal, the Tribunal shall hold the hearing and may by order direct the Registrar to carry out the Registrar's proposal, or may substitute its opinion for that of the Registrar and the Tribunal may attach conditions to its order or to a registration.

If a registrant requires a hearing regarding this proposal and further wishes to be represented by a lawyer or agent at the hearing, it is strongly advised that the registrant make these arrangements as soon as possible. The Registrar reserves the right to oppose any request by the registrant for an adjournment of the hearing in order for the registrant to make such arrangements.

D. NOTICE OF MOTION FOR COSTS

If a hearing is requested as described in Section C and, at any time during the course of proceedings arising from this request, the Registrar believes the registrant has acted unreasonably, frivolously, vexatiously or in bad faith, the Registrar will make a request for an award of costs from the Tribunal, such costs to be paid by the registrant.

E. APPLICATION OF THE STATUTORY POWERS PROCEDURE ACT

The Statutory Powers Procedure Act, R.S.O. 1990, Chapter S.22 as amended ("SPPA") applies to the Tribunal. 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.

If a hearing is held as required by the registrant the Registrar states that the good character, propriety of conduct or competence of the registrant shall be an issue in the hearing and the Registrar has provided herein reasonable information of allegations with respect thereto.

F. FURTHER PARTICULARS/SUPPLEMENTAL NOTICE

The registrant may be sent further or other particulars in respect of any matter herein or in respect of any other matter including further grounds for revocation of registration.

Glen Thomas, Registrar (Interim)
Trust in Real Estate Services Act, 2002

Date: March 2, 2026