

IN THE MATTER OF
The Registrar, *Trust in Real Estate Services Act, 2002*,
S.O. 2002, c.30, Schedule C and Regulations thereto, as amended (the Act)

- and -

IN THE MATTER OF
the registration of Muhammad Jawaid
as a salesperson under the Act

- and -

IN THE MATTER OF
the registration of 2641504 Ontario Inc. O/A The Empire Realty Point
as a brokerage under the Act

NOTICE OF PROPOSAL TO REVOKE REGISTRATION

WHEREAS Muhammad Jawaid (Jawaid) is registered as a salesperson under the Act;

AND WHEREAS 2641504 Ontario Inc. O/A The Empire Realty Point (Empire Realty) is registered as a 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 the 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 Jawaid and Empire Realty are not entitled to registration under Section 10 of the Act and the Registrar proposes to revoke the said registrations for the reasons that follow.

A. REASONS

1. The Registrar relies on the following grounds to revoke the registration of Jawaid:
 - a) Under section 10(1)(a)(i) of the Act, having regard for Jawaid's financial position, Jawaid cannot reasonably be expected to be financially responsible in the conduct of business; and
 - b) Under 10(1)(a)(ii) of the Act, Jawaid's past conduct affords reasonable grounds for belief that Jawaid will not carry on business in accordance with law and with integrity and honesty; and
 - c) Under section 10(1)(a)(iii) of the Act, Jawaid has made false statements in applications for registration.

- AND -

2. The Registrar relies on the following grounds to revoke the registration of Empire Realty:
 - a) Under section 10(1)(d)(ii) of the Act, having regard to Jawaid's financial position as an officer and director, Empire Realty cannot reasonably be expected to be financially responsible in the conduct of its business; and
 - a) Under section 10(1)(d)(iii) of the Act, the past conduct of Jawaid as an officer and director affords reasonable grounds for belief that Empire Realty's business will not be carried on in accordance with the law and with integrity and honesty; and
 - b) Under section 10(1)(d)(iv) of the Act, Jawaid, as an officer and director of the corporation, has made or provided false statements in applications for registration.

B. PARTICULARS

IT IS ALLEGED AS FOLLOWS:

Registration History

3. Jawaid first became registered to trade in real estate under the Act on or about June 16, 2014. This was pursuant to an application for registration filed on June 5, 2014 (the "2014 Jawaid Application").

4. Jawaid submitted applications for renewal of registration in 2016, 2018, 2020 and 2022 to the Real Estate Council of Ontario (RECO).
5. Empire Realty first became registered as a brokerage under the Act on or about August 21, 2018. This was pursuant to an application for registration dated June 19, 2018, which was filed by Broker A, Broker of Record, and which indicated that Jawaid was the director and held 100% of the shares of the brokerage (the “2018 Empire Realty Application”).
6. Jawaid, as owner and director, submitted applications for renewal of registration for Empire Realty in 2020 and 2022 to RECO (*respectively, the “Empire Realty 2020 Application” and the “Empire Realty 2022 Application”*).
7. On or about July 22, 2022, Jawaid undertook to abide by conditions to his registration in relation to a consumer complaint alleging fraud and forgery. Relevantly, Jawaid is required to notify RECO of any change in status of the related pending civil matter: case file CV-20-636485-00 and is required to notify RECO regarding any new complaints made against him. These conditions to Jawaid’s registration are currently in effect and the obligations ongoing.

JAWAID

Section 10(1)(a)(i) – Financial Position

8. Jawaid is not entitled to registration under section 10(1)(a)(i) of the Act, because having regard for Jawaid’s financial position, Jawaid cannot reasonably be expected to be financially responsible in the conduct of business.

Unpaid Judgments

9. On or about October 30, 2019, Jawaid was noted in default in case file CV- 19-00003895-0000 and ordered to pay \$369,904.39 to plaintiff Company A by the Ontario Superior Court of Justice (OSCJ) in Milton, Ontario.
10. On or about October 26, 2020, Jawaid was noted in default in case file CV-20-00002091-0000 and ordered to pay \$799,703.84 to plaintiff Company B by the OSCJ in Milton, Ontario.
11. On or about June 10, 2022, Jawaid was noted in default in case file CV-20-00001380-0000 and ordered to pay \$1,094,856.53 to plaintiff Individual A by the OSCJ in Milton, Ontario.

12. As of February 5, 2024, the above judgments remain unpaid, totalling \$2,264,464.76 outstanding against Jawaid (*collectively, the Judgments*).

Section 10(1)(a)(ii) – Past Conduct

13. Jawaid is not entitled to registration under 10(1)(a)(ii) of the Act, because Jawaid’s past conduct affords reasonable grounds for belief that Jawaid will not carry on business in accordance with law and with integrity and honesty.

Failure to Notify the Registrar

Judgments

14. Jawaid did not at any time notify the registrar of the Judgments as required under section 28(1) of the Act.

15. The Judgment against Jawaid in case file CV- 19-00003895-0000 was a change to Jawaid’s May 30, 2018 application for renewal of registration where Jawaid had answered “No” to question 5 of the disclosure questions, advising that there were no unpaid judgments and/or unpaid debts against him.

16. The judgment against Jawaid in case file CV-20-00002091-0000 was a change to Jawaid’s June 4, 2020 application for renewal of registration where Jawaid had answered “No” to question 4 of the disclosure questions, advising that there were no unpaid judgments and/or unpaid debts against him.

17. The judgment against Jawaid in case file CV-20-00001380-0000 was a change to Jawaid’s May 18, 2022 application for renewal of registration where Jawaid had answered “No” to question 4 of the disclosure questions, advising that there were no unpaid judgments and/or unpaid debts against him.

18. In addition to the Judgments, on December 29, 2020, Jawaid was ordered to pay \$389,470.73 to Plaintiff Company C in case file CV-20-00003100-0000 by the OSCJ.

19. Jawaid failed to notify the registrar of the judgment, a change of information to his June 4, 2020 application for renewal of registration, within five (5) days as required.

20. The registrar became aware of all judgments through a Writ Details Report obtained during the review of Jawaid's 2022 application for renewal of registration.
21. Jawaid filed a motion for an Order to set the judgment aside in case file CV-20-00003100-00, which was granted on May 4, 2022. The matter is still ongoing in the OSCJ, with no final disposition.

Businesses

22. On or about November 12, 2014, Jawaid incorporated JK Capital Management (JK Capital). Jawaid holds 100% of the shares of JK Capital.
23. Jawaid failed to notify the registrar of a change of the 2014 Jawaid Application within five (5) days of incorporating JK Capital, as required.
24. On or about January 1, 2016, Jawaid became the Director of JK Capital.
25. Jawaid failed to notify the registrar of the change to the 2014 Jawaid Application within five (5) days as required.
26. On or about March 2, 2020, Jawaid incorporated and became the Director of MJK Group Inc. (MJ Group).
27. Jawaid failed to notify the registrar, as required, of the change to his May 30, 2018 application for renewal of registration and Empire Realty's June 19, 2018 application for new brokerage registration.

Failure to Pay Judgments

28. On or about September 8, 2022, Jawaid provided a response to the registrar's request for information regarding the Judgments that indicated that the Judgments were regarding matters that were still ongoing or were not adequately served and advised that Jawaid would be having them set aside or withdrawn.
29. On or about February 5, 2024, a Writ Details Report was obtained by the registrar, confirming that the Judgments remain outstanding and unpaid in full against Jawaid.

Failure to Comply and/or Cooperate with the Registrar

30. Correspondence and requests from the registrar to Jawaid regarding providing updates and particulars of the Judgments have gone unanswered since March 7, 2023.
31. Additionally, Jawaid has not complied with the ongoing conditions to his registration to update the registrar regarding the status of case file CV-20-636485-00.
32. The last status update provided to the registrar by Jawaid was in or around 2022, and requests from the registrar for updates have gone unanswered.

Section 10(1)(a)(iii) – False Statements

33. Jawaid is not entitled to registration under section 10(1)(a)(iii) of the Act because Jawaid has made false statements in applications for registration.

False Statements Regarding Outstanding Judgments

34. In 2020 and 2022, Jawaid submitted applications for renewal of his personal registration.
35. Question 4 of the applications ask: “are there any unpaid judgments and/or unpaid debts outstanding against you, including but not limited to, CRA Requirement to Pay and garnishments, or are you an officer, director, majority shareholder of a corporation or partner of a partnership to which the preceding statement applies?”.
36. Jawaid falsely answered “No” to question 4 of both the applications.
37. On or about June 22, 2020 Jawaid submitted an application for renewal of registration for Empire Realty.
38. Question 3 asks: “are there any unpaid judgments and/or unpaid debts outstanding against you, including but not limited to, CRA Requirement to Pay and garnishments, or are you an officer, director, majority shareholder of a corporation or partner of a partnership to which the preceding statement applies?”.
39. Jawaid falsely answered “No” to Question 3.
40. By the time of the filing of the 2020 applications, Jawaid had a judgment against him in case file CV- 19-00003895-0000 and had \$369,904.39 outstanding.

41. By the 2022 filings, two more judgments had been issued against him, CV-20-00002091-0000 and CV-20-00001380-0000, all of the Judgments together totaling \$2,264,464.76 outstanding.

False Statements Regarding Businesses

42. On or about June 3, 2016, Jawaid submitted an application for renewal of his registration (2016 Jawaid Application).

43. On or about May 30, 2018, Jawaid submitted an application for renewal of his registration (2018 Jawaid Application).

44. Question 2 of the disclosure questions on the 2016 and 2018 Jawaid Applications asked: “Are you, or will you be, engaged or employed in any other business, occupation or profession?”. Jawaid falsely answered “No” to this question on both applications, failing to disclose that he was a 100% shareholder and director of JK Capital.

EMPIRE REALTY

45. Empire Realty is not entitled to registration under section 10(1)(d)(ii) of the Act, because having regard to Jawaid’s financial position as an officer and director, Empire Realty cannot reasonably be expected to be financially responsible in the conduct of its business. Specifically, Jawaid holds 100% of the shares of Empire Realty and owes over \$2,000,000 in unpaid judgments.

46. Empire Realty is not entitled to registration under section 10(1)(d)(iii) of the Act because the past conduct of Jawaid as an officer and director affords reasonable grounds for belief that Empire Realty’s business will not be carried on in accordance with the law and with integrity and honesty. Specifically, Jawaid has failed to comply with three Orders to pay compensation to three plaintiffs, has failed to report these judgments and a previous judgment to the registrar, and has not complied with the conditions to his registration.

47. Empire Realty is not entitled to registration under section 10(1)(d)(iv) of the Act because Jawaid, as an officer and director of the corporation, has made or provided false statements in applications for registration. Specifically, Jawaid did not disclose his roles in other businesses and the judgments ordered against him by the OSCJ on applications for renewal of his personal registration as well as the brokerages’.

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 (deemed to be on the third day after mailing by registered mail) that the Registrar proposes to revoke the registration, 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 **Applicant/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 is, subject to exceptions enumerated in the Act, in contravention of the Act and is liable to prosecution.

Section 14(5) of the Act provides that where a registrant requires a hearing by the Tribunal, the Tribunal shall appoint a time for and 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 **REFUSAL/REVOCATION/SUSPENSION** of registration.

June 12, 2024

Joseph Richer, Registrar
Trust in Real Estate Services Act, 2002

Date

IN THE MATTER OF the *Trust in Real Estate Services Act, 2002*, S.O. 2002, c.30, Schedule C and Regulations thereto, as amended (the “**Act**”);

- and -

IN THE MATTER OF the registration of MUHAMMAD JAWAID as a salesperson under the Act.

- and -

IN THE MATTER OF the registration of 2641504 ONTARIO INC. O/A THE EMPIRE REALTY POINT as a brokerage under the Act.

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