

**IN THE MATTER OF**

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

- and -

The Registration of **SANJIV GUPTA** under the Act

- and -

The Registration of **2395037 ONTARIO INC.** (c.o.b. as **REALCAP REALTY INC.**) as a  
Brokerage under the Act

**NOTICE OF PROPOSAL TO REVOKE REGISTRATION**

**WHEREAS** Sanjiv Gupta (“**Gupta**”) is registered as a broker under the Act;

**AND WHEREAS** 2395037 Ontario Inc., c.o.b. as Realcap Realty Inc. (“**Realcap**”) is registered as a brokerage under the Act;

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

**AND WHEREAS** in the Registrar’s opinion, Gupta and Realcap are 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 a registration under section 13, the Registrar shall serve notice of the proposal on the registrant;

**THEREFORE**, the Registrar hereby proposes to revoke the registrations of Gupta and Realcap for the reasons that follow.

## A. REASONS

1. Gupta is not entitled to registration on the following grounds:
  - a) pursuant to Section 10(1)(a)(ii) of the Act because, in the Registrar's opinion, Gupta's past conduct, and/or the past conduct of an interested person in respect of Gupta (namely Realcap), affords reasonable grounds for belief that he will not carry on business in accordance with law and with integrity and honesty; and
  - b) pursuant to Section 10(1)(g) of the Act because, in the Registrar's opinion, Gupta's continuing registration would be contrary to the public interest.
  
2. Realcap is not entitled to registration on the following grounds:
  - a) pursuant to section 10(1)(b)(iii) of the Act, because the past conduct of Realcap's officers or directors and/or of an interested person in respect of the corporation (namely Gupta) affords reasonable grounds for belief that its business will not be carried on in accordance with the law and with integrity and honesty; and
  - b) pursuant to Section 10(1)(g) of the Act because, in the Registrar's opinion, Realcap's continuing registration would be contrary to the public interest.

## B. PARTICULARS

### IT IS ALLEGED AS FOLLOWS:

1. Gupta and Realcap (the "**Registrants**") are each registered with the Real Estate Council of Ontario ("**RECO**").
2. Gupta is registered as a broker and first became registered with RECO in 2008.
3. Realcap is registered as a brokerage and first became registered with RECO in 2014.
4. Gupta is the Broker of Record and majority shareholder of Realcap. Gupta's spouse is the minority owner of Realcap. Between Gupta and his spouse, they own all the shares of Realcap.

*390 Turnberry Street*

5. In or around 2018, the Registrants were retained by Seller A (through his corporation) (the “**Seller**”), to list for sale a commercial gas station at Street A, Town A, Ontario (the “**Property**”). The Property was listed at \$1,099,000, later reduced to \$949,000
6. On or about August 23, 2019, Gupta presented an \$847,000 offer from Buyer A “in Trust” (the “**Buyer**”), later renegotiated to \$875,000 and accepted on August 28, 2019 (the “**Transaction**”).
7. At that time, the Registrants were also acting for the Buyer, resulting in a multiple-representation situation.
8. The Registrants failed to properly disclose or obtain informed consent for multiple representation. The only document presented—a Confirmation of Cooperation and Representation form—was undated and internally inconsistent, indicating both single and multiple representation. No meaningful disclosure or consent was ever provided.
9. Gupta recommended to the Seller that the Transaction proceed by way of a Share Purchase Agreement (“**SPA**”) structure.
10. Gupta drafted all versions of the SPA. He did not provide the Seller with accurate and honest information about the structure of the SPA, nor did he advise the Seller to obtain any advice or guidance regarding the SPA.
11. The final SPA reflected a purchase price of \$1,600,000, justified by a fabricated “renovation credit” of \$725,000 that had no factual basis. This structure created a false sale price while leaving the Seller’s effective sale price at \$875,000. This misleading credit was used to justify inflated price terms and misrepresentations to the Seller and third parties.
12. Gupta concealed from the Seller the role that he and his spouse had in the Transaction.
13. In the final version of the SPA, the purchaser became a numbered corporation. The president of the corporation was Gupta’s spouse.
14. Gupta’s relationship with his spouse was not disclosed to the Seller. Also not disclosed to the Seller was that Gupta himself was or had been a director and shareholder of the corporate buyer.

15. In January 2020, Gupta provided a vague, incomplete, untimely and falsely backdated Disclosure of Interest form. The Seller signed the form among other documents at Gupta's direction, without understanding its purpose and without being advised by Gupta as to the true nature and purpose of the form.
16. Gupta advised the Seller that the Buyer required Gupta's spouse as guarantor. He did not disclose that both he and his spouse were actually the sole guarantors on the financing obtained for the purchasing corporation.
17. The Seller did not receive the \$725,000 in deposits that the SPA purported to create. Gupta asserted that the funds were "credited" for renovations that were never completed. This was a false and fabricated structure created by Gupta that deprived the Seller of deposit protections and caused financial harm.
18. The financial structure of the SPA, including the false sale price, were intended to benefit the Buyer from a tax liability perspective at the expense of the Seller. This was not disclosed or explained to the Seller by Gupta.
19. In connection with financing arranged through BMO, Gupta altered financial statements and account balances for the Seller's corporation, overstating revenues, misstating expenses, altering retained earnings, and creating inflated financial information. These false financial statements were provided to BMO and the appraiser.
20. Gupta's conduct in the transaction consisted of misrepresentation, backdating, concealment of conflicts, creation of a sham renovation-credit structure, misleading price terms, and direction of his client to sign documents containing false information, all of which benefited the Gupta and his spouse at the expense of his Seller client.
21. In response to inquiries from RECO about the Transaction, Gupta provided responses that were demonstrably false and/or misleading.

#### *Revocation of CPA Licence*

22. On July 15, 2025, Gupta's membership with the Chartered Professional Accountants of Ontario was revoked and he was ordered to pay a fine of \$75,000.

23. The revocation was a result of findings of misconduct on Gupta's part relating to the Transaction which were breaches of the CPA Ontario Code of Professional Conduct, such misconduct including:

- a) acting as a dual agent in the sale and obscuring the true identity of the purchaser;
- b) failing to identify and address the conflicts of interest relating to his role as a dual agent and of he and his spouse's role and financial interest in the Transaction;
- c) misleading clients regarding the identity of purchasers;
- d) inducing the acceptance of false contractual terms;
- e) requiring clients to backdate documents and authorize misstated financial statements;
- f) signing or associating himself with statements and representations that he knew or should have known were false or misleading, including altering account balances and misrepresenting financial information on tax returns and to lenders;
- g) carrying out accounting work for which he did have a valid licence; and
- h) attempting to mislead CPA Ontario investigators and failing to provide or attempting to alter documents requested during the investigation.

24. Gupta acknowledged and agreed to certain facts (the "**Misconduct**") that were the basis for the findings of professional misconduct and the revocation of his membership.

25. The Misconduct supports the Registrants not being entitled to registration and is relied upon by the Registrar in support of this Notice of Proposal.

### **C. RIGHT TO A HEARING**

Take notice that section 14 of the Act provides that an applicant is entitled to a hearing by the Licence Appeal Tribunal in respect of a proposal by the Registrar to refuse 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 applicant mails or delivers notice in writing that a hearing is required to the following parties:

**TO:** The Registrar  
Licence Appeal Tribunal  
15 Grosvenor Street  
Toronto, ON M7A 2G6

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

Section 14(4) of the Act provides that where the applicant 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 applicant 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 an applicant 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 applicant make these arrangements as soon as possible. The Registrar reserves the right to oppose any request by the applicant for an adjournment of the hearing in order for the applicant 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 applicant 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 applicant.

#### **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 applicant, the Registrar states that the good character, propriety of conduct or competence of the applicant 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**

Please be aware that the Registrar may provide further or other particulars in respect of any matter raised herein, and/or may provide additional and further grounds in support of this proposal.

Lisa Key, Registrar  
*Trust in Real Estate Services Act, 2002*

Date: