

REAL ESTATE COUNCIL OF ONTARIO
TOWN HALL STAKEHOLDER MEETING

SESSION DETAILS:

Session Location:	Hamilton, ON - Homewood Suites Meeting Room
Session Date:	October, 11 th 2017
Name of Note-Taker:	Elizabeth Manzato

SESSION NOTES:

Participant Description	Participant Comments
<p>9:30AM Meeting Begins</p> <p>MIKE CUSANO (Chair of RECO Board of Directors & Broker/Manager of Remax in Hamilton)- Introduction to Meeting</p>	<p>- Good morning. The second stop of our tour here is in Hamilton. [Joke]. It's great to be here in my hometown. For those of you who don't know me, I am the Chair of RECO Board of Directors and Broker of Remax in Hamilton. Thank you for coming. Pleased to have an opportunity to meet face-to-face with industry leaders. Excited about new town hall forum. RECO regularly does speaking engagements and tradeshows; this session is to be an open dialogue to hear your thoughts and comments.</p> <p>- Joining me is Tim Barber (Vice Chair of Board of Directors); Registrar Joe Richer who became Registrar in 2012 after almost 20 years of regulating the funeral sector; Sandra Gibney (Director of Strategic Initiatives and Stakeholder relations); James Geuzebroek (Director of Communications).</p> <p>- Today the Real Estate sector in Ontario is at a crossroads. There's a lot of work to do and a lot to look forward to. There is going to be an on-going review of legislation that governs how we operate; we are building new education program for those entering the profession and we are working on improving services and enhancing mandatory continuing education. I think we can all agree that these are all critical developments for the continuing health of our profession. The question is: how should we go about accomplishing these goals? And that's why these town hall meetings are so important. As industry leaders we have a strong understanding of both the day-to-day practice of Real Estate and the broader issues that are essential to the future of the sector. So an engaging dialogue with you is exactly the sort of thing we</p>

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	<p>need in order to move the Real Estate sector forward and to improve how we protect Ontario consumers.</p> <ul style="list-style-type: none"> - We have 3 key topics to cover today: the first one will be RECO's service standards; second, our review of mandatory continuing education and then we will have a short break before our 3rd topic: the government review of REBBA. There are a couple of other important issues that we won't have time to fully address today; those topics are: consumer education and the new registration education program that's being developed. But they are still topics that we would like to update you on so we've prepared a handout. If you did not receive one when you registered please check at registration desk. That's the package that you will receive. [Shows green bag]. - For the format today we want to stay focused on service standards, continuing education and REBBA review and more than anything we want to hear from you. We have a good turn out today and we want to gather feedback from as many of you as possible. For each subject we'll speak briefly about it and then have a discussion period dedicated to that subject. At the end we'll have some time for questions about other topics including, registration education and consumer education. After the program we will be sending you a survey to get your thoughts about the town hall. That is also an opportunity for you to provide additional comments about the topics. At this time I would like to turn things over to Joe Richer to begin our discussion on service standards. Joe.
<p>JOE RICHER – (RECO Registrar) Topic #1 (Service Standards)</p>	<p>- Thanks Mike. Hello everyone and thank you for joining us today. We're pleased you could join us today for a thoughtful discussion on key matters affecting the industry. The registration and complaint services we deliver are at the core of RECO's work. It's important that we're able to process registrations, complaints and inquiries in a reasonable period of time. When registrants have questions we also want to provide answers quickly, easily, accurately and without transferring them to another department. We've recognized that this is an area where we need to do better and we've been working to improve our service levels and streamline our approach to inquiries. For complaints in particular we have seen a big increase in workload; between 2010 and 2016 the volume almost doubled. As a result, we built up a backlog. Earlier this year we had a backlog of about 1600 complaints and it was taking us about 280 days to close a file on average. Since then, we've been able to ramp up our processing so that we can bring down the backlog. Our goal is to reduce processing times to 120 days or better, on average, by the end of this year. At this point, we are well on our way. In September it took us 126 days on average to close a file. As for what's next? We're working towards self-service tracking which will allow both parties to a complaint to track the status of a file through the process on an on-line portal that they can access at any time they want to. We're also strongly focused on on-line servicing and registration services. As of this summer, renewals, transfers and terminations for individual registrants must be completed on-line. Moving these functions on-line will allow us to move toward automation of on-line renewal processing to improve efficiency. We are closely tracking the impact of these changes. [Shows scorecard in PowerPoint] Here's a look at the scorecard we use to measure service standards which includes complaints, inquiries and registration processing. We're confident the numbers will continue to get better but our objective is to hold ourselves to account with this type of scorecard. This will be made publicly available. It will be on our website so that people can see our service standards and how we're achieving them. At this point I'll turn it over to Tim to kick off the discussion.</p>
<p>TIM BARBER (Vice Chair Board of Directors) Discussion Period #1</p>	<p>- Thanks Joe. [Verifies that everyone can hear – only 1 mic]. Okay. So Joe has given us a snapshot of what we're working towards as far as service standards at RECO. We'd like to get your feedback and there's a number of different things that we can talk about today in terms of other services that you'd like to see RECO offer, your experiences with RECO and challenges that you've had or alternatively, things that</p>

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PARTICIPANT #1 – Comments	<p>you experienced that you've thought has got a lot better. Those types of discussion are what we'd like to hear today. Just very quickly, by a show of hands, and I'm sure that I'll see most hands, in the last 12 months who has had an interaction with RECO? Whether it's re-registering your own license to dealing with something in your own office, a complaint, anything like that. Great. So from that, based on the information Joe has provided, have you noticed better service coming from RECO? Are there places where you think things can still be improved? If you have comments on that, please raise your hand, I'll identify you, I'll get you to stand up and you can... Thank you.</p> <p>- Sure. I think that there's something to be said for an inquiry or discussion that we call and an Officer calls back and there's a discussion especially when they're RECO agents okay? You know the other Broker decides to call RECO and then they say, "well RECO said this," like what? And then you call that Officer and they said, "Will I didn't really say that," and then it goes back and forth and back and forth. I don't even know if you guys should be talking about issues. I don't think you should be that... either you've got to get your inquiry group much better at it, okay? I'm not sure through e-mail or something in writing; I don't know how you could protect that. But I feel that this whole thing goes back and forth and as a matter of fact, you know what we do? We get fatigued by that whole situation, he-said she-said, and we drop it. So your numbers are artificial because I see enough of that, that it's such a chaos.</p> <p>- The other thing is, I think you guys have to be a little bit more forward about the communiqués and about the sharp bid or the escalation clause. Now, I knew you guys threw it out there, I mean it was an issue and you came back but I think you guys have to be a little more forthright about some of these communiqués as these issues start to arise. Because as you start to see things in categories repeating and repeating and repeating themselves, and I'll tell you something, we do a lot of deals. We see a lot, like we're the first people on the train to see a lot of deals reaching to Toronto, there's people that are very creative out there whatever. Okay, we see a lot of stuff okay, from outside of this area. Like there's got to be some system where you're starting to say, "Okay there's a pattern here" I'd love to see a communiqué you know? Maybe a little [inaudible] and maybe you're going to say for yourself, "that was not the best way to handle this," right because it was a 2-parter, some people read the first communiqué and then you follow up with the second communiqué. - And the other thing I find too is, I find RECO sometimes they start to use law okay? Sometimes they use the rule of law and then sometimes they say, "well we shouldn't be talking about the rule of law because that's not our thing". You can't go between the two all the time, like you can't hide behind it. So those are my things that I am finding. And your numbers, I'll tell you something, they are down because even though, I don't want to be the bearer of bad news, the registration part is fantastic, I think it's fantastic. This part here, you're not seeing the real rubber meeting the road here, because people are just saying "I'm done and I'll go contact my own lawyer and I'll deal with it in another way."</p>
TIM – Response	<p>- So Joe maybe to address the first part, do you want to talk about the changes that are being done structurally within [inaudible] for that portion?</p>
JOE – Response	<p>- So PARTICIPANT #1 I appreciate your comments, I always do. Our numbers of complaints are down this year but largely, the primary reason is: over the years, the last several years when I've been out, and people have thrown out comments or made comments or made suggestions, the single biggest thing we heard about our complaints program was: "You keep opening these (pardon my French) "bull shit" complaints. Can you stop doing that please?" So we looked at our process, our triage process, and that's exactly what we've done; we've said, "I'm sorry, you want to complain that [Agents name] here didn't wash his hands when he came into your house, didn't use soap when</p>

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<p>TIM - Question</p>	<p>he rinsed his hands. Well you know what, we're not okay with that. I'm sorry. Thank you very much for your call but, no." So we are, we were on target at the beginning of the year, the first quarter, we were on target to get to about 3000 complaints, up 400 over 2600 last year. That was just based on the first quarter of protections extrapolating out. We are going to be under 2000 because we've been much more effectively triaging and simply saying, "No [Name], you have an issue? Go talk to the other Brokerage. This is not something that we're going to be taking" so that's primarily the reason. But at another town hall somebody made the comment, one of your colleagues, made a comment to say, "Well that's good to know because now I, as a Broker of Record, am going to say, "You have a complaint? You cannot hide behind the fact that RECO takes too long in complaints." They're telling you how long it's taking, it's no longer a year, it's 3 months/4 months. So you can't hide behind that anymore. You may have an obligation as a professional to file a complaint. So hopefully these two will be hand and glove and maybe will work better together. I appreciate your comments in terms of the quality knowledge or the skills of the individual officers to help to be more tactful or to be more direct so that's good feedback. Around that feedback we do take, we do have a survey that we began using 2 years ago [...] tell us how the experience was and that, the things that are coming out of that, we are making changes to the process to help address these things.</p> <p>- Anybody else have an interaction with RECO or something about the services that RECO provides that you would like to discuss with the Registrar today or with any of us?</p>
<p>PARTICIPANT #2 - Comments</p> <p>JOE - Response</p> <p>PARTICIPANT #2 - Response</p>	<p>- [Introduces self]. I had a few of the same concerns as PARTICIPANT #1. I think overall some of the process I have found that some of the Investigators or some of the folks that I deal with at RECO don't seem to have the knowledge or the ability to sort of answer questions when we're having a transaction and that's been a little frustrating. Larry [with RECO], on the other hand, amazing, very good; we did conflict resolutions, some other things that he actually came back and said, "Can we try this? Can we try that?" An amazing experience, and I think at the end of the day the clients you know, weren't happy but they understood the reasoning why we were happy with it and the process worked really well. So I just think you know, they need a little bit more training and support because unfortunately Larry is that example that's amazing and there's been a couple others where it's, "I'll get back to you" and they quote the act or law and then when they get challenged it's not exactly right and then we circle back and forth a few times and of course that gets frustrating on my part because I'm spending 20 or 30 hours finding the research. The licensing process I think is great, the online is great. I do have a question because I'm not 100% sure, but when you send out, so you're not sending out notices you're sending it all by e-mail, which is I don't have a problem with that. When you get a bounce back, do you follow up with the registrant? Because I've had a couple where they're saying they never received anything and of course I don't have access to their e-mail account so if they're saying, "I never got anything. I missed my renewal," I have no idea. Is there some way we could tweak that, whether it's a bounce back e-mail we get notified or, I'm not sure how to follow that up.</p> <p>- We do follow up with all the bounce backs but certainly I'll take that away...</p> <p>- I'm not 100% saying it's RECO's fault because you know... [Laughter]</p>

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<p>JOE – Comment</p> <p>PARTICIPANT #2 – Comment</p> <p>PARTICIPANT #3 – Question</p> <p>JOE – Response</p> <p>PARTICIPANT #2 – Response</p> <p>JOE – Response</p> <p>PARTICIPANT #2 – Response</p>	<p>- We're also looking to introduce a new database or sorry, we're in the throes of doing that to make myWeb much more robust and useful for you and your colleagues. So hopefully that will help deal with some of those things as well.</p> <p>- And maybe a notice on conflict resolution because I'm not sure everybody knows about that</p> <p>- Brokerage renewals, still have to be done the old school way?</p> <p>- At this point yes, but we are looking, we're trying to deal with the 76, 000 personal ones before we move to the Brokerage ones but eventually we do want to get there.</p> <p>- So it's on the horizon then? [Inaudible question about communiques.]</p> <p>- Yep. Yep.</p> <p>- Okay, very good.</p>
<p>TIM –Comment</p> <p>JOE – Comment</p> <p>PARTICIPANT #1 - Response</p>	<p>- I was just going to segue into that if it's okay with you Joe. Because you've got two people now talking about RECO addressing matters of law and I think it's important for everyone to realize that the <i>Real Estate Business Brokers Act</i> governs the actions of registrants. It doesn't govern the actions of buyers and sellers. For all of Joe's communiques and communiques from RECO in general are from that viewpoint. So Joe, did you want me to address sort of the content process for those communiques and what it would be sort of by ramping that up with a little more information?</p> <p>- Well I think what I'm hearing, I don't know if it's so much about communiques but conversations I think the theme between the two of you is around, I guess, dispensing advice, for lack of a better term, and clear advice, clear information about how the law applies to that particular circumstance. Admittedly I think you'll find most regulators tend to be shy -- there's a fine line between giving legal advice and simply applying the legislation to your fact scenario. It is an area that we've identified to say, "we are too shy to weigh in and we need to ramp up there." So that absolutely, at the front lines for the individual officers (be it registration officers or compliance officers) they have to be able to get closer to that line without feeling that they're giving legal advice. Because frankly, actually in Sudbury one of the services that was requested was, "there should be a 18 hour a day hotline available for any Broker of Record to call and answer and you'll answer our questions." [Exchange with Tim]. I think he limited it, it was like you know 7-9 or something. Like seriously? Like how? Is that really our role to provide that type of advice? Is that the Broker of Record's role? Is that your lawyers role to provide you know, on a specific...?</p> <p>- [Inaudible] I have no comment. I seriously, I cannot and I've brought it up in meetings I interpret it [inaudible] I know there's board rules.</p>

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PARTICIPANT #4 – Comments	<p>This one here, the “coming soon” piece, I am telling you, it is not a clear thing and even the escalation clause piece, it got clearer in the second round and you did try to qualify it, but I’ll say, it’s those types of things that I’m scrambling to find, you know? If it comes up and you get challenged by a Broker or another Agent or whatever, it’s not as clear and concise. There is a lot of interpretation. I mean, you have to go through it, it’s not that long, it’s 1 page but there are some big holes in it. And again, I know you qualify this as board rules but maybe there should be more [...] and maybe, I don’t know, now that’s a big topic. [Laughter] but I see we should really be on the same page with this as an industry because again, we’re flip-flopping between board rules, club rules, CREA rule, this rule, that rule [...] your interpretation. As a Broker of Records that’s where I’m most frustrated.</p> <p>- [Introduces self]. I just wanted to echo that a little bit. When I first saw the communiqués on the “coming soon” and especially the escalation clause, my first reaction was, “well where’s the line between RECO telling us how those regulations apply to the registrant vs. what clauses this registrant should use?” And my first reaction was, “Well why is RECO telling us how to apply clauses and how to construct the agreement of purchase and sale?” That was my first reaction. Now reading further I see that there’s more to the communiqué than that but I think that this confusion needs to be thought through better from RECO’s part to avoid it because we either are educators or lawyers and this is the role of Brokers of Record, like you said rightfully, and the lawyers, to find out and to educate the registrants on how to construct their purchase and sale agreements and communication when dealing with the trades, and I don’t think this is RECO’s role to tell us really how to, how we decide what’s in the best interest of our clients, save and except the scenarios that pertain to the regulations and how the registrant should handle themselves under the Code of Ethics. I think there’s that a distinction at least to be made.</p>
TIM – Question	<p>- It’s important to note that when RECO puts out communications on any topic, it’s not just done on the whim of whatever, it’s done because people have made inquiries about it. And so, whether it’s the “coming soon” or it’s the escalation clause piece, it wasn’t just put out there just because, it was because people had made inquiries and there is obvious confusion in the market about that. And there is a very very robust review process within RECO that is continually, and those pieces are vetted in legal, they are vetted in the ... office and the make their way around the Board of Directors to make sure that [...] is correct but again, to [...] it is not RECO’s job, and I know Joe will echo this, we don’t get involved in your business. RECO doesn’t get involved in your business, we don’t tell you how to do your business, how to construct clauses, we don’t even, you know the clauses that everybody uses comes from OREA not RECO. And so Joe’s job and RECO’s job is to regulate how we do our work effectively and the point of the escalation pieces that is simply, there’s nothing in RECO that [...] so if you’re going to use it here’s how we may use it or may not use it but we really shouldn’t and that’s the point that[...] Joe is there anything you want to add to that?</p>
JOE – Response	<p>- It’s always a fine line to walk because we’re damned if we do, damned if we don’t. Because some people are saying, “Why don’t you give us more information? Tell us exactly how you want that clause to be. Tell us exactly how we’re supposed to use it, exactly when we’re supposed to use it.” And the other people saying “Get out of our business.” So it’s a fine line to walk so we’re always trying to walk that fine line. As Tim said, generally we’re trying to respond to the needs of, your needs and those of your colleagues and you’re saying, “We want this type of information. We want and need.” So we are trying to strike that balance so it’s not an easy line to walk.</p>

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<p>TIM - Question</p> <p>MIKE – Comments</p> <p>TIM Topic #2 (Mandatory Continuing Education)</p>	<p>- Any other questions about RECO service standards before we move on to the next topic? Great.</p> <p>- Very good. That was a great discussion. We'll hopefully we'll have some time afterwards too if we have other, you know once [...] So again, it's time to move to our next topic as Tim said, which is mandatory continuing education and Tim will kick it off to start.</p> <p>- Thanks Mike. Mandatory continuing education: it's an issue that everybody is passionate about. It's an issue that I'm very passionate about. When I was elected to the Board of Directors 2.5 years ago, that was the main reason why I wanted to get onto the Board was because I at the time was unhappy with changes and I knew a lot of people around me me were unhappy with the changes. But I did like the classroom setting and I liked the way it was being delivered and so I got involved with the Board and I'm very happy that we're able to come out now and not only talk to you in this town hall environment about mandatory continuing education but also the fact that RECO is now in the process of, after 2 full years of the program, doing a full external review of the program and we'll get into that in just a sec. So mandatory continuing education is like I said, an issue that we're all very passionate about and we've been gathering information and feedback about the MCE program since the day it was launched. After every course a survey is presented where our registrants are asked about your experiences and the scores we have gotten from those surveys are consistently strong. When we asked about mandatory continuing education during a 2015 registrant survey we found strong support for the program once again. But when we get into these environments and tradeshow and various other places and we speak to the industry in person, we hear from people who have a different perspective. We've heard that there are things that you don't like about the MCE program and so there is an obvious disconnect between what we're getting from our survey and what we're getting from you personally. So that tells us that we really need to gather more information and that's exactly what we're doing. So as I mentioned, RECO is launching a comprehensive review of the mandatory continuing education program with an external provider. And it's going to include a consultation with the entire industry. The feedback that we get here today from you on the program and from the other town halls that we're doing around the province will help to inform that review.</p> <p>- So I'd like to step back and touch on why RECO brought in the new program in 2013? Before bringing MCE in house, RECO conducted a thorough review of the old program with the help of an outside consultant. The review included considerable input from the industry and there was broad consensus that change was needed. The feedback was that we needed a program that provided consistent content and delivery and focused on consumer protection, regulatory compliance and current industry issues. The new program also brought other important benefits: you can take courses anytime and anywhere, the program tracks completion automatically so registrants don't have to and it provides RECO with an opportunity to make course changes in response to current events, ensuring that material is always up to date. As for the criticisms: some registrants are telling us that they miss the classroom environment, others want the content to be more challenging and some want it to be easier to navigate. This feedback has been important and no program is ever perfect on day 1. So we've made improvements in response to this feedback. If anybody has done the new 2017 RECO update course it's a great example of where it's become faster and much easier to navigate. We've also made sure that content is challenging to experienced registrants while still being accessible to those who are relatively new to Real Estate. So today we want to get more feedback from you about where you think it can be improved further, and even more importantly, what solutions do you think might work towards those improvements. So I'm going to pass</p>

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	the floor over to Joe and he's going to lead the discussion for this topic.
<p data-bbox="177 298 602 336">JOE -**Discussion Period #2**</p> <p data-bbox="177 711 602 748">PARTICIPANT #5 - Comments</p>	<p data-bbox="741 298 2510 607">- Just as Tim mentioned we are looking to review of MCE program starting later this fall. So the information that we are gathering from this tour will feed into that; it will help to guide and shape that review process. One of the things that we heard the last town hall was around the classroom option and there was definite interest in that availability but the group said, "Hang on. Don't change the program. For those who want the online, keep it available but we want to ability to go in a classroom for certain classes if we want to." So the question, first before we ask you about that, the other caveat was and we understand, then asked specifically, how many of you would pay more to have the opportunity for classroom over and above for the on-line? 100% put up their hands. So I'll put that to you. How do you feel about that? Does that resonate with you? Is that something, first of all that you would like? A change for classroom. Show of hands. Not mandatory but the option. Okay so that's pretty clear. How about on a financial side? Would you pay more to have access...? About half. A little bit different from the last group because they said, "Yea we'd pay more! Charge us more." [Laughter].</p> <p data-bbox="741 643 835 680">[Joke]</p> <p data-bbox="741 716 2510 878">- Yea I do have a comment. First of all, I think that it's a great option to have both of them I certainly wouldn't want to take away the on-line one. I think it was excellent. It was \$44 and people remembered that they used to pay \$300-400 just to get basic stuff that they needed. I think it's great. You're not going to ever be able to sell tickets to that event, it's boring but if there was a button there that would let you speed up the voice, or slow it down in some cases where you can't hear it, that would be wonderful. But when you say more, you're not saying how much more and I think that may be a hesitation for half the people in here.</p> <p data-bbox="741 881 2510 951">- One thing I would like to ask you about is the survey at the end of it, is it possible that people think that you know who they are logged in and the comments therefore are going to be related to that so they're going to be complimentary?</p>
<p data-bbox="177 1016 392 1053">JOE - Question</p> <p data-bbox="177 1122 580 1159">PARTICIPANT #5 - Response</p> <p data-bbox="177 1227 405 1265">TIM - Response</p>	<p data-bbox="741 1016 2510 1086">- Have you seen social media in Real Estate? [Laughter]. Not too many people are too afraid to put their hand up and say, "Okay. Oh that's stupid! I don't like that!"</p> <p data-bbox="741 1122 2510 1192">- Okay but that doesn't account for the disconnect that I'm trying to find a reason and I'm telling you that the very first thing that I thought of a couple years back was, "These guys know who you are when you're commenting."</p> <p data-bbox="741 1227 2510 1395">- It's interesting that you say that because, who know [another Realtor]? A Realtor 60 miles east of Toronto. [Realtor] is very open on social media, I'm on social media quite a bit . He recently did the update and said how much he didn't like it. So I reached out to him because he and I were Presidents at the same time [...] and I said, "Why don't you let us know?" and he goes, "Ah I just couldn't be bothered." So that's I think that might be part of the reason that people who are unhappy with it once they get to the end they're just maybe so happy that they're to the end and they don't, they just can't be bothered anymore because they don't have to deal with it for another 2 years.</p>

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<p>MIKE – Comment</p> <p>JOE – Response</p> <p>PARTICIPANT #2 – Response</p> <p>JOE – Question</p> <p>PARTICIPANT #5 – Question</p>	<p>- If I can go back to that question about cost. We run this education program on a cost recovery basis so to bring your point up, how much? Well we have to take that all into account if we're starting to offer more service, I mean, I think yea, it's voluntary and I think the programs quite reasonable right now. Anyway just wanted to make that point.</p> <p>- And on that comment, Alberta I was at a session a few weeks ago and Alberta was talking about their continuing education program. They have about 7% of their members take it in class. What they've done is set up a Facilitator system where maybe PARTICIPANT #10 gets approved as a Facilitator for that session and the local board hires him to come and deliver. So they're not actually involved in it, they simply approve the deliverers of the Facilitators and is that something that. You'll have the opportunity to provide feedback through the process but does that sound like something that would resonate?</p> <p>- Absolutely. We used to hire all of our own trainers right? They were approved and offered our own courses and our people loved it and I think the ability to do that would be very attractive. I think the other benefit is that if you've got approved Trainers and obviously you're approving the curriculum and everything else so it should be consistent but then it's my responsibility to bring in 300 people and whether I could pay the cost it or whether not right. I've got that ability to do that if I choose to. I think that PARTICIPANT #5's point, I think that if you just did just a simple little notice when you get to the comments "all your comments are anonymous even though you're logged in" might be a way to have somebody be a little more open because I would guess that you're the regulator, they're logged in taking a course, they're probably not going to open up, even though they might be thinking that. I think social media you can see all the rants going on there because they're looking for attention or whatever it may be.</p> <p>- Well why fill out the survey?</p> <p>- Joe, because actually at the end of the first one I was wondering if it was, you had to? That that was part of the completion of your course. Some people might still think that. I know that's not right now but that's what I thought the first time I saw it.</p>
<p>PARTICIPANT #6 – Comment</p> <p>TIM – Response</p> <p>PARTICIPANT #1 – Response</p>	<p>- I'm just going to speak to the classroom suggestion. My experience with the Sales Representative that I work with is that there's better retention, better understanding, better communication in classroom setting. When they're on-line, the phones ringing, they've got their device over here and they're doing all kinds of things at once and it's wonderful they're getting the credits but how much are they retaining in that?</p> <p>- It's interesting because all that really depends I think on the Facilitator. I've been in classrooms back in the day where half the people are on their phones during the class right? So it all comes down to what responsibility the registrant is taking in furthering their education.</p> <p>- The other thing too is that people that are doing the course could be somebody's assistant I'm going to throw that on the table, #1. #2 the technology's been really rough especially since you've changed it recently in August; they're having doubts, people aren't knowing if it's done, calling RECO, "I did complete that section". Some people say they're taking a 3 day weekend to complete it. I hear you but fine, and</p>

Participant Description	Participant Comments
<p>JOE – Response</p> <p>PARTICIPANT #1 – Comment</p>	<p>then the other thing is, why don't you look at your numbers? If your numbers have increased, the amount of complaints have increased, is there some correlation with the fact that we went to all on-line? How are we going to test this measurement of on-line vs. offline, are people learning better? Like we've got some great questions here. Pass/fail? There's some interesting things here. Or do you want me to submit all the offers that show up without a deposit. I will just send them to you, I keep a depository, I'll just send them to you because I'm telling you guys look, I'll tell you something and I'll echo what PARTICIPANT #6 said it's amazing what the course. I hear what you're saying in Calgary and stuff like that but we had a tremendous program and [...] we built facilities for it, potential, I had a lot of people working on the same types of facilities. There was a different kind of working together collaboration and learning. [...] but I'll tell you something, you know if we did a study, and I'll produce it for you, okay? How many of our people that were millennials? It was all age groups that would enjoy that aspect of the course. If you look at the Law Society of Upper Canada, they have the same thing, they've got 50/50 on-line and in the classroom okay? I know cost is a big deal but you know what? Let's step up to the plate here. This is an industry that is a huge major financial decision and if people aren't prepared to invest in knowing, knowledge, learning, maybe that's how we eliminate some, some people that are not up to par or what have you, and look at maybe consolidating this industry. But I'll tell you something, I love the option and the price, it's optional [...]. If we're willing to pay God bless us [inaudible] but invest in the industry.</p> <p>- Well the reality is at some point and I'll challenge you, if you have names of people who are cheating, tell us. You talk about professionalism and raising professionalism, you're the Brokers of Records, if you know people are cheating, call them out. Call them out. Because the fact is what we're today is no different than what OREA did before. Did you have the same issues with OREA too? With the on-line part? 50% of people are taking it on-line. Did you have the same issue? Were people cheating back then or did they suddenly start cheating when RECO started? [Laughter].</p> <p>- Look at your numbers in complaints; maybe the increase in complaints has to do with them not absorbing. If 95% or 100% are on-line and not absorbing information and just kind of you know; there's got to be a correlation there somewhere. You know, the numbers don't lie.</p>
<p>JOE – Comment</p> <p>PARTICIPANT #1 & JOE</p> <p>PARTICIPANT #4 – Comments</p>	<p>- Okay so the 50% who used to take it in class suddenly, you're telling me they got dumb, they forgot everything they used to know and started generating all these complaints. Is that what you're saying? Are you saying that because you are no longer in class that you're actually delivering worse service? I don't know. But overnight? That's not an overnight thing.</p> <p>[Inaudible]</p> <p>- So I wanted to bring up a couple of points. You mentioned that one of the benefits of on-line delivery is the fact that RECO is able to update the courses and keep them up to date in real time. Now I don't know how that's true because my registration is up in November and I just started taking my RECO update course a couple of weeks ago and when I opened it up I thought there was a big mistake because it just said "RECO Update 2015" and I stopped right there and I called RECO and I'm like "what's going on? Why am I in the wrong course" and they said, "no that's the right course." This is a 2015 course that still applies today and I was flabbergasted because that shouldn't</p>

Participant Description	Participant Comments
<p>JOE - Question</p> <p>UNKNOWN PARTICIPANT - Response</p> <p>PARTICIPANT #7 – Comments</p> <p>JOE – Response</p>	<p>happen. There’s no evidence to me that what you say is true and that this new course that I’m taking right now for my November 2017 reregistration that will have the current information that I need to know today. Now I’m satisfied that you’ve heard us, it’s great that you’ve heard us. I’m hearing actually for the first time that you are taking seriously the message that classroom is important for so many of us and the cost? That’s up to us, that’s our choice. So yea, and I’m satisfied for the first time, I’m actually seeing that you’ve heard it and I’m happy about it and I hope that this will come back soon because I would, I have driven from Toronto to Hamilton to take a 6 hour course in the past. I will take it, I will go to the classroom personally and there are many people like me that learn better in the classroom. And to your point about the people that are cheating, there is no way somebody will cheat and then tell me as a Broker of Record, “Oh you know what, I cheated” but I’m telling you that, and you know that, and other people will tell you the system is horrible for some of registrants to take the volume down, run the application in the background and click click click through the program while watching a video, chatting, on-line shopping, homeschooling their kids or whatever else they want to do at the same time. The system is vulnerable for that and there will be people that will take advantage of that and I would like that door to be closed.</p> <p>- So I guess that leads to the next question, do you believe there should be a pass/fail? That means you do not proceed if you choose to take the course the day before and you fail, you cannot renew your registration. You can’t, you can’t. It’s binary. Yes or no?</p> <p>- I’d vote for it</p> <p>- [...] Before I say that I was going to say that the people that cheat online and want to sleep through the course, they’re just bad apples. If you’re that bad that you’re going to cheat on-line for a course and are doing that for a test score, that’s pretty bad. You’re not going to resolve those people; that’s going to be a certain sector of the population that’s just bad apples, period, no matter what you do. As far as passing a test goes, the other organization that I know of, which is the Appraisal Institute of Canada had that for quite some time and they dropped that and the only time that you need to pass is when you take the first update course after you’ve come out of [...] and received your accreditation and that’s a 2 day course in class that needs to be passed. After that you can opt to still go that route or you can take it on-line or one day course so they split it up, they have it on-line and they have classrooms as well but no requirement to actually pass the test. And that’s worked out very well as far as we’ve seen. So to take someone’s livelihood away because they have test anxiety or unfortunately they left it a little too late or whatever, I find that to be quite problematic. And to go back to the Appraisal Institute example, I’ll go back to that, what happens is that you get a fine and you get a period of time after which you can then get your courses done, but they don’t actually take your accreditation away and take your livelihood away. I find that smashing the hand with the hammer kind of approach.</p>
<p>TIM – Question</p> <p>PARTICIPANT #7 – Response</p> <p>PARTICIPANT # 8 – Comment</p>	<p>- Would that information be transparent and available on-line? [Inaudible]</p> <p>- I can’t answer that question. I’m not certain about that. I don’t think it is.</p> <p>- This is what we have actually in Alberta. I have Alberta license and I just did the [inaudible] update course, yes that’s a valuable course by the way, I love it but that’s not the point anyway they do have a fail/pass. If you do not pass, you do not continue.</p>

Participant Description	Participant Comments
<p>JOE – Response</p> <p>PARTICIPANT # 9 - Comment</p> <p>JOE – Response</p>	<p>- Yea, on that particular course, yes.</p> <p>- Hi, I'm the CEO of the Realtors Association of Hamilton/Burlington and most of the people in this room are actually members so it's nice to see everybody here. Two comments: first, I applaud you for coming here and doing this. I just hope that you are open minded and are taking the feedback because I'm hearing some pushback and I thought this session was about listening and not trying to solve the problem here so I just encourage you to remain open minded because there are some real issues here. The professionalism does need to be improved in the industry and there's many ways we can do that. How do you eat an elephant? You eat it one bite at a time. But I think there's something here we can work on together. The local associations have all the resources to deliver a training program. Our office is full just down the street right now with OREA candidates and it's full most of the week and we can work with you if you wanted on a pile up to make this work and roll it in across the province because I agree, as Mike said, you know how's the budget and what's the implication for this? Well we can help you de-risk that, by taking that on along the lines of what was suggested about us being the delivery mechanism perhaps and work with you, you guys set the standards, qualify the teachers. I think that there's a model there that we can work on and would be willing to work with you on a pilot if you'd be willing to do that. Because I think there's opportunity here and I think by doing certain things we can start raising the professionalism. The pass/fail, I don't know the right answer to that, all I know when I went to University, I didn't get my degree unless I passed the courses and if we're going to be serious about raising professionalism, we've got to start somewhere and there's many easy things we can do here.</p> <p>- Thanks for your comment and admittedly, absolutely I'm open. I'm also challenging you to be open so that push back hopefully is intended, it's, I'll call, it a healthy tension push back and forth. But absolutely, that's why we're here and we're interested. We are absolutely committed and interested but I think there are many perspectives to the issues that we're talking about.</p>
<p>PARTICIPANT #10 –</p>	<p>- I come from a different side. I'm a commercial Broker, I've never sold a home in the 28 years I've been in the industry and I think the online is outstanding and the reason I come from that is because over the years of having to renew our license and going through the courses, so few of them are relevant to my industry. So we were going to courses that were based on residential sales, which is fine and we attended them and paid our fees and renewed our licenses. But I think there's a bigger picture here when we start talking about professionalism in the industry is that you can go on and renew your license today and click either residential or commercial programming. You can do the program and you can get through it but you then can go out and be with little experience, if any, and come into the commercial world and vice versa, into the residential world, and sell a 20 million dollar property and make an offer and say that you're capable of representing that individual and you're really not. Just like, I don't go out and try to sell a home. My last home I bought we actually had a residential Broker represent my wife and I; I didn't represent myself. So when you really look at professionalism of the industry and education it really should, if you want to take it to the next step, it should be to the point where you're either working one or the other or some way there's a tie-in. But to be able to do everything, I think that's where your professionalism... I can't tell you how many calls I get from Agents and Brokers saying, "I've never done this type of transaction before so can you help me walk me through it." But they're representing a buyer or tenant, why should I walk them through it when they are not skilled to do it? So when it really comes to</p>

Participant Description	Participant Comments
<p>JOE – Response</p> <p>PARTICIPANT #5 – Question</p> <p>JOE – Question</p> <p>PARTICIPANT #2 – Response</p>	<p>education I really think we’re getting the basics but maybe there’s a lot more that needs to be talked about.</p> <p>- So maybe that’s a conversation for the REBBA review piece because I think it sounds like you’d be interested in an improvement here in terms of the different classes of registration.</p> <p>- So Joe, you mentioned Broker responsibility vis-a-vis cheating and professionalism, you tied them in. PARTICIPANT #9 made the comment about, “you do this one bite at a time” and one of the smaller things that can be done, and you and I had a brief conversation about this before the meeting started and that would be: publishing the names of either the Brokerage and/or Broker of Record alongside when you publish on the RECO web site an offense. If those people are involved then perhaps the oversight will be greater so as we talked about, maybe take the temperature in the room because there’s a lot of Brokers in here that have a lot of Sales People under them and I’d like to get their input on that.</p> <p>- Who wants to comment? Who hasn’t spoken today? So the question is, somebody goes to discipline, if the Brokerage itself is not involved with the record so if it’s the individual salesperson or Broker that it was believed that it was at their level and not, you know, it wasn’t a systemic issue that their issue went to discipline, was found guilty, fined \$9,000. So that the information about that gets posted on our web site that the name of the Brokerage should also get published, or Broker of Record published with that individual’s name so that it’s flagged and then that would help drive the Brokers of Records accountability in making certain that their individuals, there are 900 individual sales people, that there’s actually more accountability. Any thoughts? Anyone who hasn’t spoken yet? Anyone? No, alright.</p> <p>- I’ve got 450 Agents and 15 years ago, one of our very first RECO hearings, the Brokerage was named as well as both Agents and I spent \$20,000 on legal fees to have my company removed from it. Since that point, RECO’s changed and if a complaint comes in and the Brokerage made a mistake we would get named; if they don’t, we’re not named, so you’ve already sort of addressed that in the fact that if the Brokerage was involved and are a part of the complaint, you’ll name us but if we’re not, you name the person that made the mistake which is the registrant. So unless the Broker of Record or Brokerage is involved, I wouldn’t want my company tied to that because obviously unless we had done something to be part of the issue, I would take an issue with that.</p>
<p>JOE – Response</p> <p>TIM - Question</p> <p>PARTICIPANT #2 – Response</p> <p>PARTICIPANT #1 – Response</p>	<p>- Well that’s just a suggestion.</p> <p>- So let’s say, in a different world that actually was the case where your Brokerage or name was attached even if you weren’t involved, could that increase your oversight of your Agents?</p> <p>-No. I would have my lawyer on retainer and we would fight every file. Because in fairness, if we’ve done something wrong, I’m happy to go defend myself but if we don’t get, we haven’t got named in the last 10 years on a file, but previously we were.</p> <p>- How vigilant are you in looking at the fact that, did this Brokerage offer education and all kinds of thing and warnings to the individual and such that are documented okay? Like we did our end [...] in case somebody slips through the cracks okay? Doesn’t attend courses,</p>

Participant Description	Participant Comments
<p>TIM - Response</p> <p>PARTICIPANT #1 - Response</p> <p>PARTICIPANT #11 - Question</p>	<p>doesn't go to viewings, and is just kind of operating on their own, and then the Brokerage gets penalized. If you want to go that route, I may want to go another route: why don't you show how great I am? Why don't you ... I'm telling you per capita, per capita you know? Let's see per capita what my company does with everybody else and how many complaints we have per capita and how many actual complaints go anywhere. If you're going to start to do what you are talking about. It's always about penalizing and making people look bad, you know what I mean? Why don't you start looking at it from a positive standpoint and say a company of my size, how many transactions we've had, per capita, we've had this amount of complaints. Like why isn't that a consumer? Why wouldn't that be something that's pro-consumer? When they're making a decision, why is it always the negative? You're searching through the negatives, okay? Why wouldn't you search through the positives? Think about that for a minute. Whenever I call RECO, you know what I tell them all the time? I say, "I'm your best customer". I do. I say, "Look it up. Look it up. 9,000 transactions."</p> <p>- To be fair, we're not suggesting that RECO is even considering that. What we've... it was simply a suggestion...</p> <p>- I'm not, just look you know what it's [inaudible] because there have been yes, it's habitual and God bless you but maybe we have to be more serious about, "Hi, we run the company based on the fact that we're not doing our job" and RECO had to come down. We want to cover our butts saying we've got this. We handled this at the meeting ... [inaudible]. So if anybody ever came to us and said "guys you didn't do your job," we want to know we're covered, so fine, okay, but then you have got to go both ways.</p> <p>- [Introduces self]. If you're dealing with complaints. Is there any statistics taken on how long the person's been in the business, what education system they have, where he's going to? Because I'm going to tell you, I have a lot of new Real Estate Agents and I'm going, "Well they don't know anything." They come to us when we hire them and I am going to tell you, after we hire them we have to train them on how to sell Real Estate. Now they're into five courses I believe before they even get their license and they're coming out of school, even the complete education system should be done with people getting their license. It would just be a interesting statistic to see of how many of the people that are in trouble are newer or older, or have been in the business for a long time? That's a question. I don't find them coming out of school knowing how to do a listing, forget about residential Real Estate.</p>
<p>JOE - Response</p> <p>TIM - Comment</p>	<p>- So a couple of things there. #1. First of all, our changes to the registration education program are targeting just that. We're looking to have people more practice-ready when they enter the profession. We're looking for the training to follow the trade so it does actually follow the trade. We're looking at simulations where they have to demonstrate to an instructor that they actually understand. They may have passed the test, but then in a face-to-face they will have to demonstrate that again unless you're no longer registered and have to re-apply but unless, so when you're getting in, you'll have to demonstrate to the instructor so that you can actually apply what they're talking about. So that's a big piece for us and eventually, not out of the gate but within a couple of years hopefully 3-4 years after the launch of our new program in July 2019 there will be the introduction of a new independent certification exam separate and apart from the courses passed during the program. So the program will be delivered by Humber the individual courses you have to pass just like your degree, but then once you've completed that, then you'll have to pass an independent certification exam not unlike the bar [inaudible] so we're looking to introduce that, that's part of it.</p> <p>- The other piece, an interesting thing, we have looked at the statistics looking at this for a number of years. The fewest years here, going</p>

Participant Description	Participant Comments
<p>TIM – Response</p> <p>PARTICIPANT #12 – Comment</p> <p>TIM - Response</p> <p>MIKE – Comments</p>	<p>this way, it's like this [moves hands]. It starts kind of high, it dips down to about the 10-15 year level and guess where it peaks again? Higher than the beginning, 20+ years. So, then you get into, well why is that? Don't know. Is it because they get lazy? Because they think, "ah it's just one of these deals. I know I can do this one backwards in my sleep," or is it that because the 20+ year people are the ones that are most experienced who are dealing with the toughest deals and actually that part is the most difficult to navigate and the issues. I don't know how to answer that but that is the trend, it goes like that. It peaks back up higher than the first year 1-5 years, dips down 5-15 and then shoots back up.</p> <p>- So we're just coming to the end of our time. We'll be around afterwards to discuss this and other topics. We're going to be taking a break in just a sec but one more comment from someone we haven't heard from.</p> <p>- I want to comment about putting the Brokers name up with people who are fined and I don't think it's fair because that Agent can turn around and move to a new Brokerage and they're going to say, "that's not Mary Smith, she works over here. That must be another Mary Smith." Then the Brokerage is stuck with a taint against their name more than the person that actually did the crime.</p> <p>- Very good point.</p> <p>- Very good. Well thank you. That was a great discussion and just to emphasize the fact too that, this is a different format. We're not doing a presentation format and we're taking this quite seriously and challenging. We want to extract information and bring it back and not only to feed into MCE review but the Board of Directors is quite serious too about making sure that we're listening and that we're getting into our strategic priorities as we plan forward that we are addressing the issues that best meet our mandate of consumer protection but that happens through making sure that you have the abilities to conduct business. So with that being said we're going to take a 5-minute break and I want to emphasize 5 minutes please. And then we'll carry on with our next topic which is the REBBA review.</p>
<p>MIKE – Comments</p> <p>JOE Topic #3 (The REBBA Review)</p>	<p>- Okay, now that we're back from our break I want to move forward with the next topic and I'm sure this will have some great conversation: the ongoing REBBA review. So I'd like to invite Joe Richer back to the podium to introduce this topic.</p> <p>- Alright thanks Mike. I'm sure everyone here knows last week the government announced changes to REBBA. Most of the changes are considered enabling legislation to allow the development of new regulations. The key change that could be implemented when the law is passed, is an increase in fines. That would be from \$25,000 to \$50,000 for individuals and from \$50,000 to \$100,000 for Brokerages and that's at discipline only. Regarding the other changes, the government has been clear that it's looking to change the rules around Multiple Representation. In principle, the government is looking to allow a Brokerage to represent 2 or more parties to a transaction as long as each party works with a different salesperson and there is no information shared between them. This is known as Mandatory Designated Representation [MDR]. There will also be an option to use what's known as transactional brokerage or a facilitation model that they are proposing. Where a salesperson acts as a Facilitator to help the parties to reach a mutually acceptable agreement. Regulations need to be developed that will determine when and how the transactional brokerage can be used. It's important to keep in mind that these changes</p>

Participant Description	Participant Comments
<p>TIM - Discussion Period #3</p>	<p>won't be in place overnight. In fact, the government has said we should not expect changes around Multiple Representation until 2019. There are several legislative amendments that would be necessary along with several consultation periods on the proposed changes. Government also recognizes that time will be needed to adapt to the changes. Brokers and Sales People on the ground will need time to know and understand how to actually implement the changes and what they can and cannot do. To make sure that everybody is up to speed with changes, we are committed to detailed communication once the new regulations are available. I know multiple rep is an issue that you're concerned about and today we would be happy to answer your questions and really have a dialogue about what the future could potentially look like. I hope that many people in the industry took the time during Phase 1 of the review to speak up and I hope that enthusiasm will carry forward in Phase 2. It's going to be, Phase 2 is going to be much broader in scope so it's extremely important that we have those discussions. So Tim, I'll pass it to you to kick it off.</p> <p>- So I'm going to frame the discussion a little before we start. MDR is coming. So there's no discussion here about whether there will be or will not be. The government has said it's coming. They've introduced they're enabling legislation and once it reaches royal assent we will get into the consultation phase and then sometime in 2019, however, at the time of royal assent, the new fines will come into effect. There have been white papers put out by OREA. RECO has published their own opinion about what MDR should be; it's available on our web site, very widely distributed as well. So the question that, some of the questions you guys may have for us, and we're not limiting but whatever you want to talk about we're here to talk about. And it comes down in the MDR model and what we're talked about, the Facilitation part. When should the facilitation part be allowed? Should it be allowed any time for consumers? Should it be restricted to very specific situations in areas of Ontario where there's not a lot of representation, where it's a family member, in commercial transactions, so we open the floor to you guys. Starting with that question: for the facilitation model, when should it be allowed? Raise your hand, stand up and hopefully we can hear from some people that we haven't heard from. And if you need any more background on the whole process, because when we were in Sudbury a couple of weeks ago this was foreign to a lot of people so if you want some more background we can also just provide you with background on it.</p>
<p>JOE - Question</p> <p>PARTICIPANT #10 - Response</p>	<p>- So PARTICIPANT #10, commercial, do you think that's an area where that should be an exception?</p> <p>- I would say yes, it should be. But again it comes down to; it's a difficult question because our market is very different, like does it apply to leasing? Because we do on a year-to-year basis. Some years we do 80% of our income would be leasing, 20% would be sales; the last few years it's probably been the opposite. So there's a distinction every year, it changes. So does that pertain to the leasing transactions? OK, so then I would say then we should be able to use it at all times because I just don't think there's enough skill in the market from a Brokerage standpoint, to represent the number of leases that are transacted throughout [inaudible]. Leasing deals can be many times much more difficult than a sale, because you stay married. The Landlord and the Tenant stay married; they have to get along, there has to be a, like I say, everybody has to win at the end of the transaction because you're still involved with that person and then on renewals, we do a lot of renewals for our landlords, so are we supposed to bring another Broker in to do a renewal? We're usually 99% of the time we are strictly [Inaudible]</p>
<p>PARTICIPANT #1 - Comment</p>	<p>- Commercially, I just did 8 apartment buildings and only 1 was not a multiple representation, only 1, at that was somebody in my office. At</p>

Participant Description	Participant Comments
<p>PARTICIPANT #10 – Comment</p> <p>JOE - Response</p> <p>PARTICIPANT #4 – Question</p> <p>JOE – Response</p>	<p>the individual level, at the personal level not the Brokerage, that was a personal one and only 1 and that actually fell apart [laughter] and it's back on the market again because going back to PARTICIPANT #10's point, there's only so many people that can handle you know an apartment sales and again it's a marriage of, the due diligence period is something that is very very long. I did 2 long term care facilities, just sold 2 long term care facilities and again, open bid process you know, 30 day out there in that case it was 60 days due diligence. Again, we brought both parties to the table and again, now I'm giving that the one end of the complexity but even a simple land transaction you're 9 times out of 10...</p> <p>- The other thing too is that has to be just a little bit different is that because we deal with majority of the buyers or landlords or tenants or sellers or buyers or stuff like that are corporate in most cases or in many cases, we get the representation forms sent to us back to us unsigned. So we say to the tenant, "you need to sign this" and their response is many times, "we don't need to sign anything. We know who represents us, we represent ourselves." What do you do to that?</p> <p>- Any other thoughts?</p> <p>- Yea so just to be clear, when you say transactional facilitation it refers to a scenario where neither of the client, neither of the consumers are represented by that facilitator?</p> <p>- Right, they would no longer be clients. You do not owe them a fiduciary duty. You are purely, you are mediating between the 2. You're not giving any advice. You're not making any suggestion about what the price should be or weighing in or sharing any of that information.</p>
<p>PARTICIPANT #4 – Comment</p> <p>TIM – Comment</p> <p>PARTICIPANT #4 – Comment</p>	<p>- I'd like to give you feedback that maybe you can take and advocate with the government because a lot of confusion comes in the area where which is known as implied representation and it happens because the legislation is not very clear on where implied representation begins and lawyers and judges have a lot of wiggle room to play with that concept and I think it's bad for the profession, it's bad for the consumer. There's always somebody who will take advantage of the system, coming back to either complain with RECO or coming into the court saying, "I was led to believe" and "I was given the impression" and they can use that any time in the process because the legislation is so loose and open and vague on that issue. And when you get into the area of transactional facilitation, if you don't make the legislation super clear on what that means, when that begins and when there's no way back to the implied representation, you are keeping that opportunity open for the consumer to create a mess anytime the lawyer dictates them to. So I think that needs to be taken to the government making the legislation super clear, that once you've opted for that transactional facilitation there is no way you can come back and claim you're more than a customer.</p> <p>- So part of that is going to be in the plain language [??] to associate that, that's part of what will be in the legislation. Whether the actual language is in the legislation or it's given to the regulator or some other body to create that, then there will need to be a plain language, signed piece of paper ...</p> <p>-Because right now the consumer is are under the impression that once they're a client, they're always a client and they can never go back</p>

Participant Description	Participant Comments
<p>JOE - Response</p> <p>PARTICIPANT #1 - Question</p>	<p>into a customer relationship unless they have to start a relationship with a registrant.</p> <p>- Well that's funny because some of your colleagues have told me, "Oh no Joe, the easy answer, you just make one of them a customer. No more conflict of interest." Like seriously? How many people actually understand, that you deal with, actually understand the difference between a client and customer? I was discussing it with a reporter yesterday and we were having a conversation about customer/client and he said, "Oh it's so confusing and frankly Joe, almost every Registrant I speak to has no idea what I'm talking about. If they don't understand; in fairness, how could their customers, the consumer understand the nuanced difference?" And that's where one of our recommendations is to clarify, to put brighter lines around what is a client and what is not a client. Ontario has this kind of 3 levels: you have a client, you have a customer and then you have unrepresented. Most if not all jurisdictions have no more than 2: you are either a client or you are unrepresented, there's no middle person because I think it's unreasonable to expect that if [client] signed an agreement with me, whether he read it or not, even if I explained and said "I'm not really helping you. I'm kind of helping you." He doesn't understand the difference. How plain language would it have to be for him to actually understand and then to think that through before doing a transaction? So that's one of our recommendations is to clarify and distinguish those.</p> <p>- So you're at an open house and somebody comes in and you have a dialogue about the property. I give you some factual information about the street, you know across the street in my opinion it was a distress sale [inaudible]. This is what the seller really put forward and these were the arguments and whatever so now I'm giving them some details about the property a little more than factual market information and then all of a sudden, they decide now to work with me. [joke]</p>
<p>JOE - Question</p> <p>PARTICIPANT #1 - Response</p> <p>JOE - Question</p> <p>PARTICIPANT #1 - Response</p> <p>JOE - Question</p> <p>PARTICIPANT #4 - Response</p>	<p>- No I think that's the question, should that be under facilitation?</p> <p>- But you're saying that at an open house you're going to make everybody sign something?</p> <p>- No but they are unrepresented.</p> <p>- They are unrepresented even though I've given them some kind of information about the property, a little more detail.</p> <p>- Well that's what we're talking about. Is when would the facilitation kick in? Because then you'd have to have the conversation, "If you want me to work with you, I need to persuade my client the seller to no longer be a client at this point." And then to get that very plain language; this is what it means to be a Facilitator. But should it be, should that be allowed? This is the question that we're, that the government is trying to figure out. When should that facilitation be allowed?</p> <p>- I think the government shouldn't decide what the agent is going to do in that scenario because the chances are in 99% of the cases the seller is going to say "No, I'm not going to let you be my Facilitator after I hired you for this amount of commission to be my representative" so I don't think there's ever going to be a scenario in reality that the agent can revert back to not being a representative for that seller.</p>

Participant Description	Participant Comments
<p>TIM – Question</p> <p>PARTICIPANT #4 – Response</p> <p>PARTICIPANT #1 – Response</p>	<p>- So what happens if you're in Hornepayne, Ontario and the next Real Estate Agent is 200 kilometres away?</p> <p>- Then they will have to look at another model and they would have to look at a model of having a buyer as a customer. But I think the facilitator, the transactional facilitation should be, because there are genuine scenarios when both a seller and a buyer being unrepresented come to the Agent or the Agent not having a representation agreement with one of them finds both ends of the deal and then makes the deal happen. So for that type of scenario, yes. But if I'm listing somebody that would be, to me that would be a conflict of my fiduciary duty to that seller to even ask him to come out of my loyalty.</p> <p>- Then you can't have permission from both parties because the incentive for the seller, from the consumer side, would be if you decided to do this all the time I'll reduce it for both parties but if you decide to reduce it, well now you're not going to get the same representation that you agreed to the first time at 5, at X percentage, you can't make percentages. At a percentage, you get me as your negotiator [inaudible] The consumers going to say, "I want a deal." That's their job, that's the consumer's job. Our job is to show value, the consumer's job is to get value and in the presence of no value they're going to say, "well if I'm not getting served than the commission is over." The market is going to kind of dictate things. I don't think it's going to be difficult...[Multiple participants speaking-inaudible]</p>
<p>PARTICIPANT #4 – Response</p> <p>TIM - Response</p> <p>PARTICIPANT #4 – Response</p> <p>TIM - Comment</p> <p>PARTICIPANT #5 – Question</p> <p>TIM - Response</p>	<p>- The government should allow it, the legislation should provide for it and then let the Agent and the consumer work out their own scenarios in the field as they complete.</p> <p>- So if I understand what you're saying, you're saying that it should be consumer driven?</p> <p>- Absolutely. It should be a choice between the Agent and the consumer. There should be clear lines for the consumer to understand when they can no longer, when they're represented, when they're not represented, for everyone to be educated. Because at the same open house, I will have someone could walk in and they start talking to me like they're not represented and then they say, "well he got us a bad deal because we weren't your client" and I say well wait a minute, "You're not my client?" and they say "Yea, we're just someone who's coming to the open house" and I have to stop them and say to them because the consumer is not educated on what that means to be a client so</p> <p>- It's interesting because what PARTICIPANT #1 said in terms of [inaudible] the multitude of business opportunities and business models that could be done...</p> <p>- Thank you. So in dual agency when the duals agency you can give information but not advice. So is that what's contemplated in transactional? That you can still give information but not advice?</p> <p>- Yes</p>

Participant Description	Participant Comments
<p>PARTICIPANT #5 – Question</p> <p>TIM – Question</p> <p>PARTICIPANT #5 – Question</p> <p>JOE – Response</p> <p>PARTICIPANT #5 – Response</p>	<p>- Okay so this is going to be interesting. I wonder if they have a list of properties on MLS in a transactional mode not representing the party. Has any thought been given to that because that's you know...</p> <p>- That's a business model. That's not something we would talk about.</p> <p>- But it should be allowed then right? Because as you said, that's a business model so if associations choose to allow that and, as you're saying, you don't have those obligations as you do in agency right so? And I know they've had this in Colorado for about a decade and it seems to be working out fairly well in other jurisdictions but so you don't see any problems with that though? With expectations and representation because you're putting the sign up, you've got a whole lot of information about that seller, his motivations and so on but we're not going to call you, you're not going to say you're representing him.</p> <p>- I would suggest that if you're the listing rep, it's pretty tough not to be representing them. I don't know a situation, how would you be selling the house and not actually representing them? I'm not sure how you would do it. You would have to sign an agreement.</p> <p>- Well Joe there are on-line folks that figure they can do that right now. That's in the States right. You know, "I don't know you I'm just putting your property out there on the MLS system and I don't really know anything about ya." So could that not be an example of transactional listing?</p>
<p>JOE – Response</p> <p>PARTICIPANT #5 – Question</p> <p>JOE – Question</p> <p>PARTICIPANT #4 – Question</p> <p>JOE – Response</p> <p>PARTICIPANT #1 and #4 – Response</p> <p>JOE - Response</p>	<p>- Then you've entered into an agreement, there's consideration from both sides. You pay me to put it on the MLS, I put it on the MLS. There's a contract there between them. I don't know how you would get somebody to sign a contract when you're not...</p> <p>- So if you're in a transaction with a buyer on transactional, you can't collect a fee? Because then you're representing.</p> <p>- Well that's the other question. There's some jurisdictions that say you can only be paid by one end of the deal. Is that something that should be considered?</p> <p>- [Inaudible]... if you start working on your posting situation and you have added additional service that's just negotiation from both sides than that would be an answer to your question of how that scenario would arise.</p> <p>- But that again is predicated on today's definition of customer. You've signed an agreement.</p> <p>- Yes.</p> <p>- And what I'm suggesting is that there would be only one type of client and you either have an agreement or you don't. There's no middle man to say, "I'm kind of in between. I'm going to give you information, I'm still going to get the same amount of money but I'm not going to give you any advice." That's kind of in the middle and that's the challenge, I think with our definition of customer. Do we have the definition</p>

Participant Description	Participant Comments
<p>PARTICIPANT #4 – Response</p> <p>PARTICIPANT #12 – Question</p> <p>JOE - Response</p>	<p>of customer in Alberta? [Displays on PowerPoint]. Just to contrast this: a customer means “a person who has contacted, but not engaged or employed, with an industry member to provide services.” So in Alberta, a customer is unrepresented. It’s that person who has walked in and so they have documentation that when ... if I want you to help me, they actually have you sign something but what it is, it says, “I am unrepresented. You are not giving me any advice.” It’s an agreement that I’m going to give you something but not too much.</p> <p>- [inaudible] in Alberta is considered under agency, actually. Yea.</p> <p>- I have a question, this is under commercial, if you have some clients and you’re a small investor so they have a few rental units and you’re renting them out for them. Now are you going to have to go find another Agent to do that rental because the tenant would have to have someone other than the owner of the building?</p> <p>- So should that be an exception where facilitation is allowed?</p>
<p>PARTICIPANT #13 – Question</p> <p>JOE – Response</p> <p>PARTICIPANT #13 – Response</p> <p>JOE - Response</p> <p>PARTICIPANT #13 – Response</p> <p>JOE – Response</p>	<p>- Joe, just to be clear, everything that we seem to keep having set out for us kind of involves the multiple representation and double ending interchangeably. So I’m happy to see this transactional [inaudible] representation for sure but what about this double ending? We’re now in this [inaudible] which we’ve done so it’s... they keep saying double ending.</p> <p>- Right so that, I would say for the average person -- client and customer, there is no distinction. Because the average consumer out there doesn’t understand. You need a very sophisticated individual to say, “Yea I’m okay with no fiduciary duty on this one. I get it. I understand that. You’re just going to help me get some information. I’m very sophisticated. I’ve got lawyers, accountants. I’ve got all, I don’t need the protection of the law because I know it and I have all the people in place to help me outside of an individual registrant.” But that’s exactly what we’re talking about is getting rid of that to make it clear you either are a client or you’re not a client and that there’s no customer in between because that I think is really unfair personally. I think it’s unfair to that customer who doesn’t actually even understand and appreciate the circumstances of the agreement they’ve entered. I just cannot believe that the average consumer, the vast majority of consumers don’t understand.</p> <p>- I would not argue with that but having said that, is that what they’re basing multiple representation [inaudible]</p> <p>- Well keep in mind that multiple representation today is at the Brokers level and what we’re talking about it at is at the personal level. Leaving it at the Brokers level is still okay but at the personal level, PARTICIPANT #1 could not represent 2 people at the same time. Somebody else would have to represent the buyer or vice versa.</p> <p>- At the Brokerage level?</p> <p>- No, at the personal level. The Brokerage level, I mean we agree that it would be incredibly challenging, it would be impossible to do it at</p>

Participant Description	Participant Comments
<p>TIM – Comment</p> <p>PARTICIPANT #10 – Response</p>	<p>the Brokerage level with the number of Brokerages in Ontario. And I've had this conversation with a few different Reporters and I said, "Well, maybe there's enough Brokerages out there" but no no you're talking about all of the sudden PARTICIPANT #10, has a client, his buyer is all of a sudden interested in his listing and all of a sudden, not only do I as that buyer/client have to now go find another salesperson, I have to go find another Brokerage. There's 20 offers. That means there are 20 different Brokerages involved in this place like, you've got to go around: do you have an offer on this place? Do you have an offer on this place? It's not possible. So that's why we maintain that at the personal level and we advocate, that at the personal level, that there should be significant restrictions on when you can do it? But that's the challenge. That's what we're trying to figure out, and the government is trying to figure out, is where -- what's the box around when it can be allowed to facilitate the transaction. That's the challenge.</p> <p>- Sorry, your comment again PARTICIPANT #12? It was really great so – rental - and we didn't talk about that. I don't want to go away from that. Does that feel like an exception? That that should be okay? Because that sounds like a pretty unique, not unique but, rental...</p> <p>- My office would give away hundreds of deals a year if that was the case and then they'd have to give them to somebody that they feel is qualified.</p>
<p>TIM – Question</p> <p>PARTICIPANT #10 – Response</p> <p>TIM – Question</p> <p>PARTICIPANT #10 – Response</p> <p>TIM – Response</p> <p>PARTICIPANT #1 – Question</p> <p>PARTICIPANT #10 – Question</p> <p>PARTICIPANT #1 – Response</p>	<p>- Are you the only registrant in the office?</p> <p>- Broker of Record</p> <p>- But how many people are there besides you?</p> <p>- 14.</p> <p>- So you could just give them to another Agent in your office, you're not giving them away from the office. Because the idea is that multiple representation as it currently exists -- [Participant] and I are in the same Brokerage, I can't tell my clients about her clients and she can't tell her clients about my clients. But if we're 2 different Brokerages we can pay for all that information and I can try to smooth talk her into giving me all the information I need to give my clients the advantage.</p> <p>- Do you have to disclose a referral if there's a referral? [inaudible]</p> <p>- How does a listing get handled because in the commercial market you [inaudible] registrants on the property. So how do you handle that?</p> <p>[What's your question?]</p> <p>- Multiple people on multiple listings. What about that disclosure [inaudible] go ahead, what happens with that? [joke]</p>

Participant Description	Participant Comments
<p>JOE - Response</p> <p>PARTICIPANT #13 - Question</p> <p>JOE - Response</p>	<p>- Well no, that's another piece. As you see in B.C. they have made it very clear with the changes they made around multiple representation they've added a piece around disclosure, not only when you sign the listing agreement so it's very clear about who's going to be offered what, who can pay who what amount. At the time of the deal there's another disclosure that has to be made of where's all the money being disbursed. So we have PARTICIPANT 21 is getting 1% or 0.5% for a referral and PARTICIPANT #10 is getting 1% and PARTICIPANT 20 getting 2% but that all has to be disclosed so that it's transparent about where the money is going so that everybody knows so they haven't necessarily outlawed it but they've added a lens to it, to make it transparent.</p> <p>- So if the buyer doesn't agree to the referral then the buyer would have to go to another Brokerage?</p> <p>- Potentially. But at that point it's pretty late in the game to be making that decision but at least everyone knows where all the money's being dispersed. 8 people being paid in the transaction.</p>
<p>PARTICIPANT #1 - Question</p> <p>JOE - Response</p> <p>PARTICIPANT #11 - Comment</p> <p>Participant Question:</p> <p>Participant #11</p> <p>JOE - Comment</p>	<p>- There's an election in 2018. And you guys are confident that this in it's present state, while there's still more dialogue going on. Do you really feel that by June, the deadline is June 2018 election. Do you feel that this is done and what if they don't win? [inaudible]</p> <p>- So all this does, in the statute, in the act, there's a whole section that gives the government authority to make regulations. Right now there is not the regulation making power necessary to do what they're thinking of doing or what we've talked about. So all that's happened in the bill is to give itself the authority to make changes to it so that's the only thing, that's why they call it enabling legislation. It just allows them now actually to engage in the conversation meaningfully, because they have the authority to actually make regs. Because until they pass that bill it doesn't have the authority, they don't have the authority to write regulations so that's all that's happened. And that's why they've also said, "we promise to have this done by 2019."</p> <p>- I think that it's been a long time coming and unfortunately as usual there's a few people that make this type of scenario happen. I'm surprised that RECO or the governing bodies allowed what went on in television with Marketplace or whatever it was with the Agents in Toronto double ending without any more repercussions on the finder's fee, which is obviously illegal that's what part of what this all started in British Columbia with the flipping and so on and so forth and it goes into Toronto and it's a few apples that, it's 100 that are really, 115, but it's in the right direction, in my opinion, it's going in the right direction. It should've been done when they started the double ending to have a whole office in a position that it can't sell a house to a listing when you have numerous people in the office that don't have no idea about the consumer one way or the other is ridiculous. I think it's going in the right direction.</p> <p>Joe, does RECO know anybody involved in the Marketplace expose?</p> <p>- They have to. Because you didn't pursue it?</p> <p>- We absolutely. We looked into it, we asked people. We went out, "If you have information about this, please share because we want to</p>

Participant Description	Participant Comments
<p>PARTICIPANT #11 - Comment</p>	<p>hold these people to account.” Two people have been identified, two people. 1 is on their way to discipline. I forget what the date is it might be later this fall, or in 2018, another one is still being investigated but there are four people that we have now identified despite our invitation for people to share. And whenever we do they keep identifying the same person, the person we already know. Somebody hires these people. Your colleagues in Toronto, the Brokers of Record. Somebody hires these people. Somebody sits at a desk next to these people and no one has identified them. So you know we’re a small group, small but mighty group; there’s 76,000 registrants out here. There’s over 40,000 in Toronto alone. [Joke] but other than that, I mean surely somebody must know these people. That’s why I’m saying, “encourage your people”. We will investigate it, we have one going to discipline but the reality is, it’s just like the cheaters, the profession has to raise up and has to take some personal accountability as well, in terms of the level of professionalism and getting rid of the bad apples. We’ll do our job, we need you to help too. I mean you hear the police all the time say “somebody knows the shooter, somebody knows but they’re just not coming forward.” That’s the challenge I think.</p> <p>- Well I’d like to touch a little further on that just in the fact, first and foremost I think that having this open, I’ve never been to one before and I think it’s great that we have this space, we have Mike up there that we all know his friendly face and you guys that obviously try to do your job and so it’s been nice to have your input into it. Unfortunately I’ve always had the feeling that RECO is always working against the</p>
<p>JOE - Question</p> <p>PARTICIPANT #11 - Response</p> <p>PARTICIPANT #11 - Comment</p>	<p>registrant and not necessarily for the registrant and if you can clarify that for me one way or another I would appreciate that. But I’m going to give you a scenario with RECO that actually happened physically and the fact that the lack of concern and one of the reasons that I’ve had. We actually had a salesperson working for us and I got a call from a client saying that he owed this person a lot of money. And I approached the Agent and it went on and on and it ended up that, as far as I was concerned, that it was more that. He had personally bought the house, he had put an offer on the house higher than it was actually paid for, the bank was brought in, the appraised property of the sale price of the offer and then in our office there was another offer so to me that’s my definition of a [inaudible]. I phoned RECO and said, “what do I do? What do I do with this guy?” First and foremost, I was told I should fire him, which we proceeded to do. This was about 3 years ago, maybe 4 years ago but he had a job immediately after writing on the application for getting rid of him, the resignation wrote on it “Mortgage Fraud” to RECO and then I turned around and he was hired by another brokerage and still is working with that Brokerage within 3 days of that happening. So the faith is a little bit testy on my personal part. I mean that actually took place; it went into RECO’s hand, I talked to one of your representative and asked what to do. And by the way, he was a pretty active salesperson, he took 2 other Sales People with him when he left. So somebody else’s benefitting from the thing. I guess these things slip through the cracks but that does not make sense.</p> <p>- So did you file the information?</p> <p>- Absolutely of course. 100% and was told to fire him which I did and reluctantly because, and this might sound crazy, I liked the guy. He was a nice guy.</p> <p>[Joke]</p> <p>- All I know is he’s working for a Broker right here in our illustrious town and had RECO licensed him within 3 days of this time of us</p>

Participant Description	Participant Comments
<p>JOE - Question</p> <p>PARTICIPANT #11 - Response</p> <p>JOE - Question</p> <p>PARTICIPANT #11 - Response</p> <p>TIM - Response</p> <p>PARTICIPANT #11 - Comment</p>	<p>letting him go on the paper saying mortgage fraud.</p> <p>- So what was the response to the complaint you filed?</p> <p>- Nothing. I never heard a word of anything.</p> <p>- You filed a complaint and it was never responded?</p> <p>- Well I don't know if I filing that is called a complaint. I'm not sure we went to that degree. If we actually put a complaint or, I was told by RECO just to send in his termination papers and put on it what he was being terminated for. Don't they read what it says?</p> <p>- We can't talk about specific cases.</p> <p>- No of course you can't, I'm just telling you it happened and I'm not looking for vengeance on this guy, I'm just asking. I'm going to go back to my original, are you guys trying to help us and guide us to go through the system, or are you against us?</p>
<p>TIM - Response</p> <p>PARTICIPANT #11 - Comment</p> <p>TIM - Response</p> <p>PARTICIPANT #11 - Comment</p> <p>PARTICIPANT #15 - Comment</p> <p>JOE - Response</p>	<p>- RECO's mandate is to operate in the public interest. So this is a public...</p> <p>- It would be, wouldn't it.</p> <p>- So I would encourage you to then go to your [inaudible]</p> <p>- No, I don't want to do that now. It's been years gone by but when you say people don't come forward, when you do come forward, you look like an idiot. By the way, I just looked like a complete jerk. I fired a guy, he got a job and he's smiling and so is the other Broker.</p> <p>- So under the Mandatory Designated Representation I think industry practice now is that if someone does come into an open house, or if a registrant is referring someone that there's remuneration back to that Agent. So if I'm referring something to PARTICIPANT #11 a client, I would be maybe 25% or maybe even 50%. What is the position of RECO on how this is going to be handled? Will there be able to be remuneration back or are we expecting registrants to give up a client? So if I have 2 individuals or if a registrant has 2 individuals that they have had long term relationships with, you know where they have represented the clients before and I have to send someone over to PARTICIPANT #11 to look after their interest. Do I lose them forever? Can he remunerate me/the Brokerage?</p> <p>- Well that's a good question. Should that be disclosed like it is in B.C.? Should it be prohibited like it is in Australia? And these are some of the questions that the governments going to have to answer with its regulations and that's partly why we're having the conversation. What</p>

Participant Description	Participant Comments
<p>PARTICIPANT #15 – Comment</p> <p>PARTICIPANT #9 – Response</p> <p>JOE - Question</p>	<p>is it that you think should happen with those situations? Should there be a cap on what could be paid? The question, the case coming up in my own mind and when people ask me and Reporters ask me: so it they get into this facilitation model surely they must pay less right? They must get paid less because they're going less work. They're not actually representing, they're no ones champion, they're a mediator, surely you must get paid less, should they? I don't know. How do you answer that to the public if they ask that question?</p> <p>- My answer to your concern about people not telling if they know who those offenders were is offer a \$25 Tim Hortons certificate. You know the RECO social media group on Facebook? You'd have a line up. Maybe even put it up to \$50.</p> <p>- Actually just to pick up on what PARTICIPANT #15 said. In fact, that's what I was going to suggest: an incentivized whistle blower program to get people to come forward. The Ontario Securities Commission did this to get, because there's friction involved right? There's a cost, or a perceived cost or a risk for someone to come forward so overcome that if they bring a name forward and it ends up in an actual charge, that person receives some money for coming forward. I think that might be something to look at so just a suggestion.</p> <p>- Like a crime stoppers type of thing?</p>
<p>PARTICIPANT #9 – Response</p> <p>PARTICIPANT #16 – Response</p> <p>JOE – Response</p> <p>PARTICIPANT #16 – Response</p> <p>JOE – Response</p> <p>PARTICIPANT #16 – Question</p>	<p>- Yea but look at the OSC as a model, they've got it in place.</p> <p>- Now when you say about, "well shouldn't they be paid less," that's really not, that's between the consumer and the registrant and you cannot in my mind, start dictating what you can get paid and what you can't and make an opinion on you should get less money right? Whatever you negotiate is fine just in my thought.</p> <p>- I don't disagree with that and if I left with the impression that was not the case, that's my apologies for that. These are the questions I've been asked, Reporters ask me, "So surely if they do this they must get paid less." And I say, "that's between the client, that's between the individuals and the Brokerage but that's a very good question." So if that's what I'm putting back, is that consumers have a right to know.</p> <p>- Can I also comment on some of the other questions that you asked here? You said, "should there be a limit on the number of people a Broker can manage?" I'm surprised that that's there because earlier at the very beginning, the comment was made that RECO doesn't tell you how to do your business so if RECO says that or it's legislated it's really interfering in a business model.</p> <p>- But these are questions that came up so we're just echoing back to you to say, "how do you feel about this. The group in Sudbury was saying, "there should be a cap on this. There should be a cap on the number of people and managers," so we're putting it to you. Do you agree with that? Were not saying there should or shouldn't be it's just over the years I've heard that numerous times. People say, "there should be a cap. There's no way you can reasonably manage 400 people. It's not possible." I don't know.</p> <p>- Well that would be interfering with the business model to put a cap. I mean things will trickle down and you cannot manage any business that's running efficiently. If you have 400 Realtors in your organization, it's up to them to be able to hire a manager and put systems in</p>

Participant Description	Participant Comments
<p>PARTICIPANT #5 – Response</p> <p>TIM – Question</p> <p>PARTICIPANT #5 – Response</p>	<p>place absolutely. And if a Brokerage doesn't have systems in place than that's shown through complaints and other things.</p> <p>- Thank you. Back to, I agree with Joe that customers and clients don't understand the disclosures that they're signing, they don't get really the difference between a client and a customer, they are just in a hurry to get the deals done, they've got a lot of other things on their mind so in other industry, such as the mortgage industry you have to get independent legal advice if there's a situation between the lender or even the mortgage broker and the client or if the private mortgage. Would that not be a simple way because they can sign disclosures all day long, I agree they won't know what they did half the time. Why not make it mandatory then in given situation to get independent legal advice which would allow the same person to be on both ends of that transaction without the problem of the customer, which apparently is the case, or the client not understanding what they're doing.</p> <p>- So if we walk that one down the line then and that becomes legislated and you get into the hot market and you've got 2 hours to figure this stuff out and it's 6 o'clock on a Saturday, how does that work?</p> <p>- I mean, you know you're assuming that it's right at the moment but you can pick up a buyer or a seller at any time before the process and that's not really the issue is it? It's really protection and signing those disclosures that you're talking about is not going to solve that problem. Yes doing that you're probably adding fuel to the fire by telling me that this is a "my hair's on fire situation" so I signed it real quick.</p>
<p>TIM – Question</p> <p>PARTICIPANT #13 – Question</p> <p>JOE – Question</p> <p>PARTICIPANT #15 – Question</p> <p>JOE – Response</p>	<p>- We've got a few minutes left. We want to slide on to the Phase 2 REBBA reviews question as well. There were some questions that were provided in the handout. You know, Phase 1 we've talked about quite a bit now so the question is: What other things should the government be looking at for Phase 2 of the REBBA review [inaudible]? One of the things do you think that they should be looking at going forward?</p> <p>- So I noticed in here that you guys have a section on specialized education, is that with reference to you either have a residential license or commercial license?</p> <p>- Could be yea. I mean we had the question that PARTICIPANT #10 raised, so is that something that you would support having either you are registered commercial or your residential or you can have both but you have to maintain distinct education requirements. Is that something you'd support generally? Show of hands, who would generally support?</p> <p>- Just a question and I don't know if I've ever heard it before. What is RECO's opposition to having precise designations. So you know like commercial up to a certain level and up to a higher level the same as like just solely residential and residential with small cap commercial. Like why don't we have that?</p> <p>- Because the law doesn't allow it for lack of a better term.</p>

Participant Description	Participant Comments
<p>PARTICIPANT #15 – Question</p> <p>JOE – Response</p> <p>PARTICIPANT #10 - Response</p> <p>JOE – Response</p>	<p>- Can you elaborate?</p> <p>- Because there’s only one registration. You’re either a salesperson or you’re a Broker, or you’re nothing and there’s no distinction made within the law.</p> <p>- That could be your problem right there.</p> <p>- And that’s why we’re asking. Because if there is support for something like this because it has been bantered around for a number of years but we’re going to have this opportunity to open it again. And I think, if it’s worth having the conversation that’s what we need to know as well and you need to share that with PARTICIPANT #9 and his colleagues at the local board level and feed that up to OREA as well. We’re not the only avenue to propose change to the government, you have a very strong association organization of Real Estate is very strong and very powerful that can raise those issues as well so it’s important that you do that.</p>
<p>PARTICIPANT #15 – Question</p> <p>JOE – Response</p> <p>PARTICIPANT #15 – Question</p> <p>JOE – Response</p> <p>TIM – Comments</p> <p>PARTICIPANT #17 – Comment</p>	<p>- Just on that, in the province of Ontario the Ministry of Transportation it has a scaled type of license whether it be for vehicle or whatever. So it’s not like this type of stuff already isn’t in an act like it’s there so...</p> <p>- Oh no, I think there’s lots of models, other jurisdictions have it. The question is how many, there has to be interest and appetite for the sector and I wasn’t around when REBBA was revised in 2002 but I know that it was a point of conversation. I’ve looked back and I’ve heard from individuals who were around saying, “Oh no it was a hot topic of conversation” but the sector couldn’t agree on whether it wanted multiple designations or not and so it didn’t happen.</p> <p>- So when we look at the areas of admissions, the number of beyond factions or number of complaints that are made and I think I saw a chart once where like 80% of the complaints were on 1 element it seemed. And has RECO drilled down, like would something like this designation thing, would it drop there? Are we having a lot of registrations operating outside of their comfort zone or their wheel house?</p> <p>- That’s a good question, I’m not sure, I haven’t looked at it from that perspective to be sure.</p> <p>- One of the things that OREA first was proposed is giving the regulator bigger teeth including the ability to make it’s own rules surrounding changes in the Marketplace not restricted by the delays that are associated with regulatory changes. So I put that out to you guys, do you think that the regulator should have the ability to make rules in the industry as circumstances differ? What are your thoughts on this? I see some heads nodding.</p> <p>- I think so and perhaps the one I’d like to point is the number of people that a Broker of Record can manage. The models that, I’ve been around for about 30 years now and I remember a model that used to work in a very successful company that’s still around, was around and also is doing very well, it was about 30 people. When I think of offices that have about 400 people, I’m not sure how that Broker of Record</p>

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	<p>can sleep at night, can be of any use of anybody under the model being responsible for 400 people. Unless you break it down into some type of model of 30 to 40 people. You said earlier that while the office will decide of that 400 in that office what they're going to do, we hear that they're going to interfere with the business model. At the end of the day, it takes some common sense, that's it. Unless you regulate and have some teeth and go to that office of 400 (I think there's an office that has 700 people somewhere in Canada) unless you go with your teeth and say, "guys how are you operating? Are you secret agents or you've got something special going here. What's going on?" Because logistically they will not be able to operate correctly in a business formula. We're aware of it but what are we doing about it? If you have the teeth, would you be willing to consider a formula where that registered Broker of Record now has 8 separate responsibilities? Also the conversation on a regular basis whether it's this meeting or board meetings we usually throw the term "Sales Agent," "Sales Representative" and "Broker" but there's no delineation, everybody seems to be running their own business and then there's teams to complicate it even further. So we had a pretty simple system to start off with. We grew very sophisticated and now we have some sophisticated problems but sometimes for us, people that have been around for a 1/4 century, I don't think we can forget that some of the original models were really providing some very good service. And I remember my early days were 6% because of our training and professionalism and whatever was going on and the Broker of Record was really responsible, there was really no question about yet</p>
<p>JOE - Question</p>	<p>commissions, we were providing it so we kind of lost a really good platform for service service service. I think we've got to go back to that and really analyze what is it that we're providing anyway and if we provide it on a professional basis than the problems that expressed 3 years later, you know why don't you come to RECO, we want to investigate it. Three years later? I understand how that Broker feels, we've been there before. So that leads me to my other question is, has RECO ever considered a 24/7 hotline? There's nothing that, either family or company deals with a Real Estate business, feels is more important priority in their life. We're dealing with the biggest asset, the biggest investment and if we do have a problem in Real Estate? Well we usually have to report it in writing, we have to call somebody and by then, the next thing you know it's either 2 years or 3 years, or never maybe. I think there's a quotation of 120 days strategy to get things under control but 120 days doesn't even work. I don't like to reinvent the wheel but I heard a 24/7 hotline through GM and that was 30 years ago and I was a consumer at the time and I wasn't being properly serviced but it raised 2 things: just the fact that there is a system in place for the consumer where the complainant has an opportunity to pick up that hotline, for a better word, or the direct communication - I think that the people in the market that are involved will think about it twice because they will be a winner, instead of "hey this problems not resolved" such as you heard earlier, that was a fairly serious problem. 1 Broker termination and 3 days later another Broker in our board hiring. Well if that was reported, within 120 days ain't going to work, within a week it's probably not going to work [inaudible] but what do we have to lose? I understand we have high tech, perhaps picking up the phone is not perhaps the correct thing to do but at least an e-mail but when we send an e-mail with a complaint through a hotline or whether it's crime stoppers or a whistle-blower, than you better have somebody at RECO that can respond, prioritize it and again I can always go back to that example seriously because that example there has a lot of spill over in terms of professionalism. He's no good at 1 office and tomorrow morning he's going to be off in the same jurisdiction could be re-registered through RECO and you say that's okay, no it's not.</p> <p>- So earlier I asked the question in terms of the availability and somebody in Sudbury had said 7-9 and I didn't see a lot of support for that. Does this sound any different from that? Does it persuade you that there should be something like that? Ultimately it goes back to, what's the Broker of Records role or is this a Broker of Record focused tool?</p>

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<p>PARTICIPANT #11 – Comment</p> <p>JOE – Response</p> <p>PARTICIPANT #1 - Response</p>	<p>- I don't know how long you want this to go on because it probably could go on for a couple of days but on that topic, the Broker of Record has a responsibility when whoever decided an independent contractor or salesperson or independent contractor turned away, in theory the Broker of Record or a Manager is giving direct information to the salesperson or Broker for them to make a decision in how they're acting with the public in their trade or whatever. I don't know why the Broker of Record would be the responsible party, going through the system of RECO code, they're going through OREA code, they're going through the education system that's supposed to be up to standards and they're coming out of school to know what's right and wrong. Everybody knows right and wrong, it's just a matter of, I don't understand the possibility of the Broker of Record becoming responsible whether he has 2 people working for him or 300 people working for him, being responsible for the actions of that salesperson unless he's directly involved in helping them make a decision that is wrong.</p> <p>- So any other Phase 2 issues that you want to discuss?</p> <p>- Yea I think when you're looking at this audit when your clients are coming which are fantastic by the way, I'd say that part of the system</p>
<p>PARTICIPANT #13 – Comment</p> <p>MIKE – Comment</p> <p>PARTICIPANT #13 – Question</p> <p>MIKE – Comment</p> <p>PARTICIPANT #13 – Question</p>	<p>is stellar. People tend to have great relationships, I don't want to say relationships but it's been fantastic and I think it's great. The thing is maybe we start to look at auditing at a different level, you want to look at, are we as Broker of Records doing what we're supposed to be doing. What kind of communication are you having with your agents on a constant basis? How often do you meet? What's your education? Similar to if I have Health and Safety I have to have office staff, I have to demonstrate that and train everybody, everything. So why don't we go back and let's start to look at that route and talk about are we doing our job as Brokers and that kind of thing? So I'm just saying, look I can make a transaction look pretty sweet and I can do trade records look pretty good, you know what I mean? That's not rocket science but what I'm talking about is are Brokers really doing their job. Are Brokers of Records communicating with their client [inaudible]?</p> <p>- If I could further what PARTICIPANT #1 is saying [...] are great comments [...] so if you have audits, if you do have audits once a year or [...] that's a great thing for us...</p> <p>- Well great.</p> <p>- Sorry Mike, can I ask one more question for Joe?</p> <p>- Yea go ahead. We're going to have some time for general questions. I just want to wrap up with the REBBA review Phase 2 so we have about 5 minutes just for general questions so yea let's....</p> <p>- So the question I had with respect to education and going back to the colleges, do you see that [...]? Any chance that there has to be a year college [inaudible] two semesters?</p>

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JOE - Comment	<p>- Right. The question is whether there should a common class college program to become registered so 2 semesters so 1 academic year - the traditional September to April in that model and so it becomes a Diploma program of some sort. Well that's not the model we're looking at currently. We are looking to enhance the program to follow the transaction more closely and to have people more practice ready because that was the single biggest thing we heard when we did our analysis back in 2011/2012 was people coming out, I think PARTICIPANT #11 made the point and said, "I had to learn them everything [joke]. I had to learn them everything when they came out because they didn't know nothing." And that was the single biggest comment was they don't understand the transaction, they don't understand the paperwork so that is our focus with the new program. Maybe down the road that will be something we have to look at but what we are going to encourage, ultimately is once the program is launched and is running we do want to open it up to allow for diploma and degree programs so for those programs that already exist that's one way we're starting to transition or at least to look at the opportunities so somebody who's coming in who goes to Guelph-Humber for example, Guelph has a Real Estate program, a degree program and they're going to say, "Yea you can come out and finish that program." You don't have to go get a degree if you don't want to get a degree you don't have to make a decision to get a degree in Real Estate, you can go get a degree that has a specialization in Real Estate and you can come register." So we want to make sure that those opportunities are available but not look at mandatory at this point.</p>
PARTICIPANT #18 – Question Joe – Response PARTICIPANT #19 – Comment PARTICIPANT #16 – Comment PARTICIPANT #17 – Comment JOE – Question PARTICIPANT #17 – Question JOE – Response	<p>- Why don't we have a [inaudible]? Because the reason I ask is that [inaudible] like he said [inaudible]? (2:08:45)</p> <p>- Well, that does exist today or an equivalent. There's an equivalency program.</p> <p>- Just a quick question. The term that Joe is referencing "teams" has been new over the last couple of years. I think there has to be more definition and responsibility across that term as it applies to the Brokerages, the Broker of Record and the individuals involved in it. It's very loosey goosey right now.</p> <p>- I think unfortunately you missed the opportunity to make this a Diploma program. Since you're revamping everything anyway, this would have been the prime time to do it, to make it a 1-year college diploma or 2 years. There's many courses that people could take to qualify and unfortunately I think that this is an opportunity that's been missed.</p> <p>- We're talking about degrees/diplomas. Are you actually involved as the Registrar in the foundations of some of these degree programs that are being put together or have you hired a firm?</p> <p>- Are you talking the existing program?</p> <p>- No, the new programs that you're talking about. Or these are not programs, these are degrees you're talking about?</p> <p>- No, what we're looking to eventually approve those programs based on the curriculum that we developed for the direct path.</p>

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<p>PARTICIPANT #17 – Question</p> <p>JOE – Response</p> <p>PARTICIPANT #17 – Question</p> <p>JOE – Response</p>	<p>- So you've developed, or RECO's developed a curriculum?</p> <p>- We're developing the curriculum now for the new program and then what we want to do is make that available to prospective institutions. So if Guelph for example, wants to have their degree program approved for registration we would say, "this is the content that must be captured. You can either do it, stream it parallel to your degree program or you can weave it in but somehow you need to demonstrate that all of that content is covered so that when they graduate that we can say, 'yes you are eligible for registration' or you're eligible eventually to write the independent certification exam." That's the plan.</p> <p>- What are we going to solve by doing that? What is your hope to solve? What is the results with these new programs?</p> <p>- Well the new programs I mentioned it's more focused on the transaction, better paperwork, pinning it down running when they launch and when they come out of that program so that they're, so that you as Brokers of Records when you're hiring them they can say, "yea these are much more knowledgeable and skilled individuals." That's not to say they're going to come in 5 years ready, 5 years practiced you know, battle tested; that's unreasonable to expect but that they are stronger than they are today, to have better depth of knowledge,</p>
<p>PARTICIPANT #10 – Question</p> <p>JOE – Question</p> <p>PARTICIPANT #10 – Response</p> <p>JOE – Question</p> <p>MIKE – Closing Comments</p>	<p>better able to apply. The degree side is for opportunities so for people who are saying, "Well I'm not sure. I want to go get a degree but do I also want to do Real Estate?" Well there's all kinds of people who go in and get degrees, you know a Business degree with finance or an Economics degree with an accounting minor. We're looking at that opportunity where maybe there's a Real Estate minor within a degree program so that people can have the business degree, and the Real Estate and they go work for PARTICIPANT #10. Last comment over here.</p> <p>- Has RECO or would RECO consider doing something of this nature strictly based on commercial industry? Because our industry is significantly different from some of the issues in here and when bylaws and changes are passed by RECO or the government it's a wide brush that gets painted and a lot of times it doesn't really pertain to some of the things that we do. And it would be helpful maybe for RECO to hear from Broker of Records from all small firms, large firms, medium firms, national firms...</p> <p>- So you're talking an exclusive dialogue or are you talking a Commercial Real Estate Council of Ontario?</p> <p>- No, I'm not talking about a different no, I'll stick with RECO. I'm talking about this type of seminar under with 100% commercial basis input.</p> <p>- Alright how many of you do commercial? Is that something that would interest you? If it was focused on commercial sector. Something we can look into.</p> <p>- Excellent, well thank you for your questions and comments today and we've received a lot of interesting and thoughtful feedback today</p>

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[Meeting end at 11:50AM.]	and we would also like your feedback about today's events so shortly you will be receiving an e-mail with a link to a survey. Fill it out. If you could fill it out it would be helpful so that we can continue to improve on the way we handle these town hall sessions. The survey also will provide you an opportunity to tell us more about the topics we discussed today and ask questions about what we didn't have a chance to get to. So again, thank you so much for coming. If time permits, Joe, Tim and myself will be hanging around here for a bit and this concludes today's town hall and thank you very much to showing a very Hamilton welcome for us. It is truly appreciated.