RECO
Real Estate Council of Ontario

File #2025050360

IN THE MATTER OF A DISCIPLINE PROCEEDING HELD PURSUANT TO THE *TRUST IN REAL ESTATE SERVICES ACT, 2002*

BETWEEN:

REAL ESTATE COUNCIL OF ONTARIO

- AND -

JOANNA SMIEJA

DISCIPLINE DECISION AND REASONS FOR DECISION

Subject to Rule 4.02 of the Discipline Committee Rules of Practice (*TRESA 2002*), I, the Chair of the Discipline Committee (*TRESA 2002*) have reviewed and considered the Agreed Statement of Facts and Penalty together with the Waiver of Hearing submitted by the Parties to this proceeding and provide the following Order:

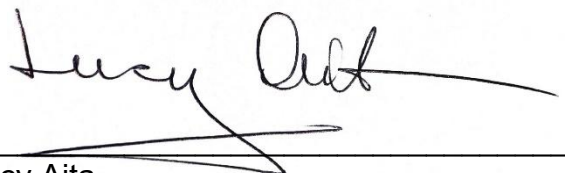
FINDINGS: In violation of Sections 1, 2(a)(b), 3, 5(a), 8(1), 9(1), 11(1) and 12 of the *TRESA 2002* Code of Ethics, O. Reg 365/22.

In violation of Sections 22.0.1(1)(a)(b) of the General Regulation, O. Reg 567/05.

ORDER: Fine of $12,000.00 payable to RECO not later than six (6) months after the date of the Decision of the Discipline Committee: April 13, 2027

Successful completion of the "*MCE 2026 Update – Professional Practice Part 1 and Part 2"* course, no later than six (6) months after the date of the Decision of the Discipline Committee, and to provide proof of completion to RECO within 60 days of completion of the course."

WRITTEN REASONS: *attached*



Lucy Aita
Chair, Discipline Committee (*TRESA 2002*)

REASONS FOR DECISION

INTRODUCTION

This matter proceeded on the basis of an Agreed Statement of Facts and Penalty and Waiver of Hearing, pursuant to Rule 4.02 of the Rules of Practice (*TRESA 2002*).

The Agreed Statement of Facts and Penalty read:

AGREED STATEMENT OF FACTS AND PENALTY

It is agreed as follows:

1. At all relevant times, Joanna Smieja ("Smieja") was registered as a broker under the *Trust in Real Estate Services Act, 2002*.
2. Smieja was employed at the brokerage Keller Williams Real Estate Associates, now operating under the trade name Royal LePage Real Estate Associates ("KWRE").
3. On or about August 23, 2024, Zafar Iqbal (the "Complainant") and Naima Iqbal ("Naima") entered into a Seller Designated Representation Agreement ("LA") with KWRE as the Brokerage and Smieja as the Designated Representative, to sell their property located at 46 Muirland Crescent, Brampton, Ontario (the "Property"). The Complainant and Naima required the sale of the Property due to an Order from their Divorce proceedings.
4. The Complainant advises that after signing the LA, Smieja failed and/or neglected to place the Property up for sale as per the terms of the LA, more specifically Smieja did not place the property on the board listing service ("MLS") as expected on September 6, 2024. Smieja advised the Complainant that they would be out of the country and would place a sign on the Property upon their return.
5. On October 2, 2024, the Complainant stated that Smieja, upon return from her trip, presented an amendment to decrease the asking price from $1,200,000 to $1,000,000. The Complainant states that upon learning of the significant decrease recommendation to the price; they decided to place an offer to purchase the Property. The Amendment was not signed by the Complainant.
6. On October 3, 2024, Smieja executed a Buyer Designated Representation Agreement ("BDRA") with the Complainant for the purpose of the Complainant making an offer to purchase the Property. Details of the BDRA included an understanding and a documented commission payable of 0%.

7. On or about November 26, 2024, Smieja provided a draft Agreement of Purchase and Sale ("Offer") via email to the Complainant for their review. Smieja advised in this email to the Complainant: "*Please note that since we are in multiple offers, I am not able to discount my commission as I did before".* The Complainant states that the BDRA did not specify that commissions would become payable if multiple offer(s) were received for the Property and challenged Smieja to the terms that were agreed to within the BDRA.

8. After the Complainant raised concerns with Smieja regarding the amount of commission that was now being charged, Smieja responded: "*Hi Zafar, as per our conversation, I cannot reduce my commission in a multiple offer situation. I have sent you the termination of the buyer agreement. Please reach out to one of your realtor friends and have them contact me. Thank you".*

9. The Complainant states they were left to scramble to find another agent to assist him in buying the Property as there was a competing offer that was currently available for acceptance, expiring at 9:00 p.m. The Complainant was also required to pay a commission of 2.5% to their new agent.

10. On November 26, 2024, at approximately 8:51 p.m., the Complainant submitted an Agreement of Purchase and Sale ("APS") to purchase the property with the assistance of another agent. The Complainant's APS was accepted on a condition that the Complainant provide confirmation of certified funds to close on the Property within thirty (30) days of the acceptance of the APS.

11. On or about December 20, 2024, the Complainant provided proof of funds and the APS became unconditional. The closing date as per the APS was on or about February 27, 2025.

12. After the acceptance of the APS on November 26, 2024, Smieja contacted the Complainant's mortgage broker and/or company and made an unauthorized inquiry regarding his financial position to secure the funds for the mortgage on the Property. No consent was sought from the Complainant prior to Smieja making this inquiry.

13. Smieja, in their response to RECO, advises that they contacted the Complainant's financial institution to protect her client's best interests, more specifically the ex-wife of the Complainant.

SUMMARY OF AGREEMENTS

It is agreed that Smieja failed to comply with the Act and/or Regulations as follows:

A. Smieja failed and/or neglected to put the Property up for sale as per the term(s) of the LA, more specifically causing a delay to the Property being placed on MLS®, without the consent of the Complainant and/or Naima, contrary to sections 1, 2(a)(b), and 8(1) of the Code of Ethics, O. Reg 365/22.

B. Smieja failed to take reasonable steps to avoid a conflict they knew or ought to have known existed between the Complainant and Naima, when they entered into the BDRA with the Complainant to buy-out the other seller, Naima, contrary to sections 1, 2(a), 5(a), 8(1), 9(1) and 11(1) of the Code of Ethics, O. Reg 365/22.

C. Smieja failed to obtain satisfactory consent from existing seller clients before engaging in and proceeding with the multiple representation that occurred during the spousal buy-out scenario that ensued contrary to sections 1,2 (a)(b), 8(1) of the Code of Ethics, O.Reg 365/22 with reference* to 22.0.1(1) of the General Regulation, O.Reg 567/05.

D. Smieja entered into a BDRA with the Complainant, with a 0% commission payable, for the sole purpose of purchasing the Property and then attempted to change the terms of the BDRA and/or abide by the terms of the BDRA during the preparation of an APS for the Property, without the consent of the Complainant, contrary to sections 1, 2(a)(b), 5(a)(b), 8(1), and 9(1) of the Code of Ethics, O.Reg 365/22.

E. Smieja abruptly terminated an existing BDRA, requiring the Complainant to find another agent to submit an APS on the Property, when it was known that there was another competing offer set to expire at approximately 9:00 p.m. the same day, contrary to sections 1, 2(a)(b), 5(a)(b), 8(1), and 9(1) of the Code of Ethics, O.Reg 365/22.

F. Smieja failed to act in good faith and/or was unprofessional, when they made an unauthorized inquiry about the financial position and ability of the Complainant to close on the Property with their financial/mortgage institution, without the Complainant's consent, contrary to sections 1, 2(a), 3, 5(b) and 12 of the Code of Ethics, O. Reg 365/22.

It is agreed that Smieja failed to comply with the following sections of the Code of Ethics:

Integrity, honesty, good faith, etc.

1. In carrying on business, a registrant shall act with courtesy, honesty, good faith and integrity in relation to every person the registrant deals with.

Unprofessional conduct, etc.

2. A registrant shall not engage in any act or omission that, having regard to all of the circumstances, would reasonably be regarded as,

(a) being disgraceful, dishonourable, unprofessional or unbecoming a registrant; or

(b) likely to bring the sector into disrepute or to undermine public confidence the regulation of registrants under the Act.

Best interests

8. (1) A registrant that represents a client shall promote and protect the best interests of the registrant's clients.

(2) If a registrant that represents a client believes that a client's ability to understand information or make decisions relevant to a trade in real estate may be impaired, the registrant shall make reasonable efforts to ensure that the client understands the information and appreciates the reasonably foreseeable consequences of the decision.

Conscientious and competent service, etc.

9. (1) A registrant shall provide conscientious, courteous and responsive service to clients and demonstrate reasonable knowledge, skill, judgment and competence in providing such service.

(2) Subject to section 10, in carrying on business, a registrant shall demonstrate reasonable knowledge, skill, judgment and competence in providing opinions, advice, assistance or information to any person.

Confidentiality

12. Except as is otherwise authorized or required by law, a registrant shall not disclose to a third party any confidential information of a client without the client's written consent.

It is agreed that Smieja failed to comply with the following sections of the General Regulation:

Multiple representation — designated representative

22.0.1 (1) A designated representative shall not represent more than one client in respect of the same trade in real estate, unless,

(a) the brokerage discloses the information set out in subsection (2) to each client and prospective client in respect of the trade; and

(b) each client and prospective client, after receiving the disclosure under clause (a), consents in writing to being represented by the same designated representative in respect of the trade.

(2) The following is the information referred to in subsection (1):

1. The fact that the brokerage proposes to have the designated representative represent more than one client in respect of the same trade in real estate.

2. The differences between the duties the brokerage and the designated representative would have if the designated representative represented only one client in respect of the trade and the duties the brokerage and the designated representative would have if the designated representative represented more than one client in respect of the trade, including any differences relating to,

    i. the duties the brokerage and the designated representative would owe,

    ii. the services the brokerage and the designated representative would provide, and

    iii. the remuneration arrangements the brokerage would have.

(3) The brokerage shall make best efforts to obtain a written acknowledgement from each person receiving a disclosure under subsection (1) indicating that the disclosure has been received and, if a person makes the acknowledgement, provide them with a copy of it.

(4) If a designated representative represents more than one client in respect of the same trade in real estate, the designated representative shall treat the interests of those clients in an objective and impartial manner.

AGREED PENALTY

The Respondent understands and agrees to the following penalty:

To pay a fine of **$12,000.00** not later than **six (6) months** after the date of the Decision of the Discipline Committee.

To successfully complete the following courses or programs by the identified completion date:

Course Title (Provider)	**Completion date**
MCE 2026 Update – Professional Practice Part 1 & 2	No later than **six (6) months** after the date of the Decision of the Discipline Committee

To provide proof of completion to RECO within **60 days** of completion of the courses.

Respondent acknowledgements:

1. I acknowledge that I have read and understand the penalty outlined herein and agree to the said terms and/or conditions.
2. I acknowledge my right to seek legal counsel in this matter before signing this agreement.
3. I agree, understand, acknowledge and consent to waiving my right to a hearing before the Discipline Committee.

Waiver of hearing before the Discipline Committee:

4. The parties consent to disposing of the matter without a hearing before the Discipline Committee and agree to the terms set out herein.
5. The parties request an Order from the Chair of the Discipline Committee that includes this Agreement of Facts and Penalty as a final settlement of this matter.

By signature below the Parties agree, acknowledge, understand and consent to the final settlement of this matter by way of this Agreed Statement of Facts and Penalty.

[The Parties duly signed the Agreed Statement.]

DECISION OF THE CHAIR

Having reviewed and considered the Agreed Statement of Facts, the Chair of the Discipline Committee (TRESA 2002) concluded that the Respondent breached Sections 1, 2(a)(b), 3, 5(a), 8(1), 9(1), 11(1) and 12 of the TRESA 2002 Code of Ethics, O. Reg 365/22; and Sections 22.0.1(1)(a)(b) of the General Regulation, O. Reg 567/05.

The Chair of the Discipline Committee (TRESA 2002) is also in agreement with the joint submission of the Parties as to penalty and accordingly makes the following order:

1. SMIEJA, Joanna is ordered to pay a fine in the amount of $12,000.00, payable to RECO, not later than six (6) months after the date of the Decision of the Discipline Committee.

2. SMIEJA, Joanna is ordered to successfully complete the *"MCE 2026 Update – Professional Practice Part 1 and Part 2"* course no later than six (6) months after the date of the Decision of the Discipline Committee, and to provide proof of completion to RECO within 60 days of completion of the course.

Released: October 13, 2026