

**DECISION OF
THE SASKATCHEWAN REAL ESTATE COMMISSION
AND CONSENT ORDER**

Re/Max Saskatoon (*Re*), 2025 SKREC 31

Date: December 18, 2025
Commission File: 2024-118

**IN THE MATTER OF
THE REAL ESTATE ACT, C. R-1.3 AND
IN THE MATTER OF RE/MAX SASKATOON**

Before: A Saskatchewan Real Estate Commission Hearing Committee
comprised of the following:

Jeffrey P. Reimer - Chairperson
Lori Patrick
Kayla McQueen

CHARGE and ADMISSION OF MISCONDUCT:

[1] The brokerage is charged with and is admitting to professional misconduct as follows:

Count 1:

- That, contrary to Section 39(1)(c) of *The Real Estate Act*, Re/Max Saskatoon breached Section 71(1)(d) by disbursing trust money outside of the terms of the trust pursuant to which the money was received.

LEGISLATION:

[2] Section 39(1)(c) of *The Real Estate Act* states:

“Professional misconduct is a question of fact, but any matter, conduct or thing, whether or not disgraceful or dishonourable, is professional misconduct within the meaning of this Act, if...it is a breach of this Act, the regulations or the bylaws or any terms or restrictions to which the registration is subject.”

[3] Section 71(1)(d) states:

“Every brokerage shall: (d) disburse trust money only in accordance with the terms of the trust pursuant to which the money is received.”

FACTS:

- [4] In accordance with subsection 9(4) of The Real Estate Regulations (“the Regulations”), the Hearing Committee accepts Re/Max Saskatoon’s Statement of Facts and Admissions, which includes the following relevant points:
- [5] Re/Max Saskatoon has been continuously registered as a brokerage under the provisions of *The Real Estate Act* in the Province of Saskatchewan with the Saskatchewan Real Estate Commission since December 24, 1996.
- [6] Larry Stewart is presently registered under the provisions of *The Real Estate Act* as a broker with Re/Max Saskatoon.
- [7] Salesperson A is a salesperson registered with Re/Max Saskatoon.
- [8] Broker B is the broker of a Calgary brokerage (“Calgary Brokerage”).
- [9] Lessee C is the lessee of a property in Saskatoon, Saskatchewan (“the Property”).
- [10] Lessor D is the lessor and is represented by Broker B.
- [11] Salesperson A represented Lessee C in the negotiation of the lease of the Property.
- [12] On May 31, 2024, Lessee C signed an Offer to Lease the Property (the “Offer”) and on June 6, 2024, Lessor D signed the Offer.
- [13] The Offer contained clause 1(d) which states:
- “The Tenant shall deliver to the Tenant’s Brokerage, within 21 business days of final acceptance of this Offer to Lease by both parties, a deposit in the sum of \$10,000 to be held in trust (herein called the “Deposit”).
- i) Pending execution of the Lease, to be drafted in accordance with paragraph 3(a) below, the Deposit is to be credited towards the first month’s Base Rent plus applicable taxes and the Landlord’s security deposit.”
- [14] On June 27, 2024, the Retail Lease Agreement (“the Lease”) was completed. The tenant signed the Lease on June 27, 2024, and the Landlord signed on July 1, 2024. The commencement date of the Lease was July 1, 2024.

- [15] Article 1(10) of the Lease required the tenant to pay to the landlord a \$10,000 damage deposit, which would be credited towards the first month's rent and the rest retained by the landlord as a damage/security deposit. As per Article 5.8 of the Lease, the first month's rent was due on the commencement date, July 1, 2024.
- [16] As per the terms of the Offer, the deposit held in trust by the Tenant's brokerage was to be credited towards the security deposit required by the Lease.
- [17] Re/Max Saskatoon did not forward the deposit funds held in trust to Lessor D.
- [18] On September 3, 2024, Re/Max Saskatoon issued an invoice to Lessor D. The invoice shows Re/Max Saskatoon deducted Salesperson A's commission from the funds held in trust. The total commission and tax deducted was \$9,786.32 from \$10,000, the remaining \$213.68 was sent to Lessor D.
- [19] On September 10, 2024, Broker B texted Salesperson A asking for the return of the deposit and denied that the brokerage had permission to deduct the commission.
- [20] On October 28, 2024, Broker B contacted Mr. Stewart regarding the deposit, and Mr. Stewart advised him that Re/Max Saskatoon had deducted Salesperson A's commission from the security deposit and had forwarded the remainder to Lessor D.
- [21] On October 29, 2024, Lessor D sent Re/Max Saskatoon a letter demanding return of the full \$10,000 deposit by the end of day on November 4, 2024.
- [22] On November 15, 2024, Lessor D sent Re/Max Saskatoon another demand letter for the return of the full \$10,000 deposit by the end of day on November 22, 2025, or Lessor D would file a complaint with the Saskatchewan Real Estate Commission. This complaint was subsequently filed on December 5, 2024.
- [23] Re/Max Saskatoon relied on past practice and an email Broker B sent to Salesperson A on January 9, 2023, as authorization to deduct commission. The email stated:
- "Too whom it may concern: [Salesperson A] of Remax Saskatoon has been and is fully authorized to market on social media platforms, tour & lease Blackstone Commercial properties in Saskatchewan & Alberta. All remuneration for successful leased transactions will be forwarded to his respected brokerage. Agreement may be terminated by either party at any time. Rates to be determined from time to time."
- [24] On February 6, 2025, Salesperson A advised Commission staff that while he did not have a formal commission agreement for this transaction, he based his understanding on past transactions with Lessor D.

- [25] Salesperson A had leased three separate units in the building on behalf of Lessor D, and it was Broker B's practice to not sign a listing agreement with Salesperson A. Rather, if Salesperson A found a tenant, he would invoice Lessor D for his commission at an agreed upon rate. Lessor D would pay the agreed upon commission several months later.
- [26] Re/Max Saskatoon and Salesperson A did not have a listing agreement with Lessor D.
- [27] Salesperson A and Lessor D did not have an agreement for commission on this transaction.
- [28] Re/Max Saskatoon did not have written authorization from Lessor D to take commission from the monies held in trust.
- [29] Mr. Stewart thought the brokerage received verbal consent to pay the commission in this manner and although he understands written authorization is required, he proceeded without waiting for written authorization.
- [30] Mr. Stewart was not able to obtain or provide any verification of the conversation.
- [31] Broker B disputes the commission.
- [32] Re/Max Saskatoon has since couriered the \$10,000 deposit to Lessor D.

REASONS:

Mitigating Factors

- [33] The brokerage was co-operative with the investigation.

Aggravating Factors

- [34] Mr. Stewart, the registered broker for Re/Max Saskatoon, has prior sanction history.
- In *Stewart (Re)*, [2021 SKREC 11](#), Mr. Stewart was found to have breached commission Bylaw 712(b) by failing to ensure the brokerage's advertising and the advertising of its registrants complied with the legislation.
 - In *Stewart (Re)*, [2009 SKREC 15](#), Mr. Stewart was found to have breached Commission Bylaw 726(b) by authorizing and failing to proof advertising in a real estate publication that included inaccurate information about his brokerage's relative market share.

Prior Decisions & Other Considerations

[35] In May of 2012, the Appeals Committee of the Real Estate Council of Ontario rendered a decision [*In the Matter of Suzette Thompson*](#) (“*Thompson*”). The Appeals Committee in *Thompson* set out a series of factors to be considered when determining the appropriate sanction for a registrant found in breach of the legislation. The factors are as follows:

1. The nature and gravity of the breaches of the Code of Ethics.
2. The role of the offending member in the breaches.
3. Whether the offending member suffered or gained as a result of the breaches.
4. The impact of the breaches on complainants or others.
5. The need for specific deterrence to protect the public.
6. The need for general deterrence to protect the public.
7. The need to maintain the public’s confidence in the integrity of the profession.
8. The degree to which the breaches are regarded as being outside the range of acceptable conduct.
9. The range of sanction in similar cases.

[36] These factors are reasonable considerations and can offer guidance to members of a Hearing Committee tasked with crafting an appropriate sanction for a registrant found to have committed professional misconduct. These factors have been consistently applied in Saskatchewan Real Estate Commission consent orders since September 2016.

1. The nature and gravity of the breaches of the Code of Ethics.

[37] Mr. Stewart is the broker for Re/Max Saskatoon. The brokerage paid commission to a registrant out of a security deposit held in trust without written authorization and in breach of the terms of the trust pursuant to which the funds were received. Misappropriation of trust money is a violation of the most significant nature.

2. The role of the offending member in the breaches.

[38] As the broker responsible for the brokerage’s compliance with the legislation, Mr. Stewart was the only registrant involved in the breach of the legislation.

3. Whether the offending member suffered or gained as a result of the breaches.

[39] As a result of the breach of the legislation the brokerage enjoyed the benefit of a commission that the complainant alleges was not agreed upon.

4. The impact of the breaches on complainants or others.

[40] The deposit was later sent to the complainant and there is no evidence that the complainant suffered a loss.

5. The need for specific deterrence to protect the public.

[41] Specific deterrence is needed to remind Mr. Stewart and the brokerage of the importance of ensuring that trust money is only distributed in accordance with the legislation and the terms of the trust pursuant to which the funds are received.

6. The need for general deterrence to protect the public.

[42] General deterrence is needed to remind all registrants and brokerages of the requirement to only dispense trust money when authorized in accordance with the terms of the trust pursuant to which the funds are received.

7. The need to maintain the public's confidence in the integrity of the profession.

[43] The public needs to be confident that funds deposited into trust are safe and that brokerages are adhering to the terms of the trust pursuant to which funds are received, and complying with the statutory requirements.

8. The degree to which the breaches are regarded as being outside the range of acceptable conduct.

[44] Larry Stewart's conduct falls below the standard expected of registrants, and it was egregious because it is a breach of the legislation governing the handling of trust money by a brokerage.

9. The range of sanction in similar cases.

A. What is an appropriate sanction for Re/Max Saskatoon's breach of Section 71(1)(d) of the *Real Estate Act*?

[45] There are only a few decisions dealing with a breach of section 71(1) of the *Real Estate Act*, and only one that deals specifically with Section 71(1)(d)

[46] In *Schweitzer (Re)* [2015 SKREC 11](#) ("*Schweitzer*"), Alvin Schweitzer was ordered to pay a \$5,000 fine and \$20,000 restitution to the buyer. He was ordered to pay costs totalling \$6,464.20.

[47] Mr. Schweitzer received \$50,000 as a deposit on a transaction from a buyer client. This money was deposited into the brokerage's business account rather than into the trust account. Mr. Schweitzer made several cash withdrawals from this money for unknown purposes and, when the transaction ultimately collapsed, Mr. Schweitzer was only able to return \$30,000 of the deposit to the buyer.

- [48] Mr. Schweitzer's actions constituted a breach of 71(1)(d) and 71(1)(b). His breach warranted the maximum fine as it facilitated his misappropriation of trust money. The evidence shows a degree of pre-meditation to Mr. Schweitzer's actions. The \$50,000 was deposited into Mr. Schweitzer's business account, not his trust account, which permitted him to make a great many cash withdrawals for unknown purposes.
- [49] Mr. Schweitzer's fine of \$5,000 was the maximum amount allowed by the legislation at the time. Mr. Stewart's breach of the legislation is extremely serious, but his conduct does not rise to the same level as the registrant in Schweitzer. Mr. Schweitzer's conduct was unexplained and was a clear misappropriation of funds. Mr. Stewart's conduct, while a clear breach of the legislation, was based in the belief that he had permission to deduct the commission from the funds held in trust.
- [50] In *Hogan (Re)* [2013 SKREC 5](#) ("*Hogan*"), Michael Hogan was issued an order of reprimand, a \$2,500 fine for his breach of section 71, and ordered to pay \$1,150 in partial costs of the hearing.
- [51] While managing a property, the brokerage deposited rents collected from tenants into an account the brokerage had set up. The account was "In Trust For" the corporate landlord, but it was not a property management trust account under the *Act*. The bank account was not registered with the Commission as a property management trust account. The landlord was aware of the handling of funds and provided instructions for the disbursement of funds from the bank account to itself. There was no complaint or concern raised by the landlord, nor was there any loss or misuse of funds received, held and disbursed on behalf of the landlord.
- [52] The Hearing Committee considered Mr. Hogan's lack of previous sanction history and the length of time he had been in the real estate industry. The funds were dealt with separately and properly accounted for by Mr. Hogan and his brokerage. There was no untoward activity nor any intent to do something different.
- [53] The Committee stressed that the breach of s. 71 was a very serious matter and that all brokerages must adhere to the rules regarding trust accounts. The Committee noted that the protection of the assurance fund is for the protection of the public and to encouraged public confidence in the real estate industry.
- [54] Mr. Hogan's breach of section 71 is less serious than Mr. Stewart's breach because there was no loss or misuse of trust money. Furthermore, the Committee's comments in *Hogan* stress the seriousness of any breach of the rules regarding trust accounts, and accordingly, the fine must reflect this.

- [55] It must be noted that the decisions in *Schweitzer* and *Hogan* were issued prior to 2020. In May of 2020, the provincial legislature amended section 38 of The Real Estate Act to increase the maximum fines that can be ordered against registrants found guilty of professional misconduct or professional incompetence. The previous iteration of the legislation capped fines at \$5,000 for each finding up to a maximum of \$15,000 in the aggregate for all findings. The new maximum fine for each finding of professional misconduct or professional incompetence was increased to \$25,000 up to \$100,000 in the aggregate for all findings. While this legislative change does not invalidate the precedents to be found in previous hearing decisions, it must be taken as a strong signal from lawmakers that the fines ordered against registrants should be increased so as to ensure the protection of the public.
- [56] Misappropriation of trust funds cannot be condoned under any circumstances. The use of trust monies for any purpose other than the conditions of the trust pursuant to which they are received is a matter of such significance that it warrants the maximum fine available.
- [57] Accordingly, an order of reprimand and a fine of \$25,000 are appropriate sanctions for the brokerage's breach of Section 71(1)(d) of *The Real Estate Act*.

CONSENT ORDER:

- [58] In accordance with *The Real Estate Act*, its Regulations, and the Commission Bylaws, and with the consent of Re/Max Saskatoon and the Investigation Committee of the Saskatchewan Real Estate Commission, the Hearing Committee hereby orders:
- [59] With respect to Count 1, the charge of professional misconduct contrary to section 39(1)(c) of *The Real Estate Act* for breach of Section 71(1)(d):
- a. The brokerage shall receive an order of reprimand for the violation of Section 71(1)(d);
 - b. The brokerage shall, within 3 months of the date of this order, pay to the Saskatchewan Real Estate Commission a fine of \$25,000 for the said violation of the *Act*; and
 - c. The brokerage's registration shall be terminated if it fails to make payment as set out above.
- [60] There shall be no order as to costs.

Dated at Regina, Saskatchewan, this 18th day of December, 2025.

Jeffrey P. Reimer
Hearing Committee Chairperson