




ANNUAL REPORT 2008

ASSOCIATION DES COURTIERS ET AGENTS IMMOBILIERS DU QUÉBEC





Published by the Association des courtiers
et agents immobiliers du Québec
6300 Auteuil Avenue, Suite 300
Brossard (Québec) J4Z 3P2

© Association des courtiers et agents immobiliers du Québec

All rights reserved.

This work may not be produced, all or in part, in any form
or by any means, whether electronic, mechanical photographic,
audio, magnetic, or otherwise, without prior written permission
of the publisher.

Graphic Design:
OS communications informatiques

Legal deposit
Bibliothèque et Archives nationales du Québec
Library and Archives Canada

ISBN :978-2-921749-75-6



Association des courtiers
et agents immobiliers
du Québec

MEMBERS OF THE BOARD OF DIRECTORS FOR THE YEAR 2008

Elected Chairman

Christiane St-Jean

Elected Directors

Robert Aubin (Vice-Chairman)	Western Québec
Réal Bédard	Montréal
Diane Bourbonnière	Montréal
Richard Dion	Québec
David Farber	Montréal
Hélène Lavoie	Eastern Québec
Daniel Pelchat (Treasurer)	Central Québec
Johanne Roy	Montréal

Directors appointed by the government

Louise Clément
Jean Mathieu

President and Chief Executive Officer of the ACAIQ

Robert Nadeau

Secretary of the ACAIQ

Claude Barsalou

MISSION

The Association des courtiers et agents immobiliers du Québec is responsible for overseeing real estate brokerage in Québec.

In accordance with the Real Estate Brokerage Act, its main mission is to protect the public by supervising the professional activities of all Québec real estate brokers and agents.

TABLE OF CONTENTS

Chair's Message	5
Report from the President and Chief Executive Officer	9
Report from the Office of the Syndic	17
Report from the Discipline Committee	21
Report from the Professional Inspection Committee	25
Report of the Decision Committee on Criminal Offences	29
Treasurer's Report	31
Auditors' Report	33
Financial Statements	34
Notes to Financial Statements	36
Supplementary Information	41



Association des courtiers
et agents immobiliers
du Québec

Mr. Richard Boivin
Assistant Deputy Minister Policies regarding Financial Institutions and Legal persons
Department of Finance
Government of Québec

Québec

Dear Mr. Boivin:

We are pleased to submit the Annual Report of the Association des courtiers et agents immobiliers du Québec for the fiscal year ended December 31, 2008.

Yours very truly,

Christiane St-Jean
Chartered Real Estate Agent
Chair of the Board



Mrs. Monique Jérôme-Forget
Minister of Finance,
Minister responsible for Infrastructure
Government of Québec

Québec

Dear Mrs. Jérôme-Forget:

Allow us to present the Annual Report of the Association des courtiers et agents immobiliers du Québec for the fiscal year ended December 31, 2008.

Yours sincerely,

Richard Boivin
Assistant Deputy Minister
Policies regarding Financial Institutions and Legal persons



Mr. Yvon Vallières
President of the National Assembly
Government of Québec

Québec

Mr. President:

I have the honour of submitting the Annual Report of the Association des courtiers et agents immobiliers du Québec for the fiscal year ended December 31, 2008.

Respectfully yours,

Monique Jérôme-Forget
Minister of Finance,
Minister responsible for Infrastructure



Christiane St-Jean
Chair of the Board of Directors

“You can decide to make a difference and to take part in the renewal of real estate brokerage. Together let us become the REFERENCE in real estate!”

CHAIR'S MESSAGE

Being at the heart of major changes: what a great privilege! This is a good way to describe the experience of the Board of directors in 2008, as legislative and regulatory changes were being initiated. It was a unique and intense period during which we were presented with numerous large projects, dossiers and topics for consideration that will have a great impact on our future.

An analogy comes to mind: the pianist who has an opportunity to do a world tour with the Montreal Symphony Orchestra and to play for several months under the baton of star maestro Kent Nagano. It is an extraordinary experience, filled with challenges and intensity. It is also a chance to discover and learn new ways of interpreting the music, to reach new heights of self-confidence, to develop a new vision and a sense of accomplishment that herald an incomparable future. I humbly submit that our experience of the past months was like that: a total experience in real estate brokerage.

The members of the Board of Directors are passionate about their profession as real estate brokers. They are a team that I am proud to represent. When we believe in something, when the anticipated impacts are clear and beneficial, and when we achieve coherence as a group, we can make the best decisions and accomplish great things.

I am first and foremost a real estate broker. I have the privilege of managing a brokerage firm and a great team of agents in whom I like to kindle an interest for professional affairs. They have claimed ownership of their Association. They care about it and appreciate the added value provided by the ACAIQ's services. But beyond these people who are close to me, I wish to convince those who haven't yet recognized this. The main directions that we must take are not the prerogative of a few – they belong to everyone. ▀

“Together, let us dare to want, dare to do and dare to make a difference.”

One vision, many objectives, a common resolve

This year marked the adoption and sanction of the new *Real Estate Brokerage Act* in May by the National Assembly, and the development of the new regulations, which come under our responsibility. This task represented a colossal amount of work, accomplished in record time and involving various groups of individuals: lawyers, writers, Board members, the President and Chief Executive Officer and the Association’s staff, government representatives, various stakeholders as well as real estate brokers and agents. It required a massive thought process on all aspects of real estate brokerage and every facet of the oversight organization’s operations. It is the culmination of many years of groundwork and fine-tuning. Fortunately, everyone worked towards the same goal, with a common vision.

In practical terms, thousands of hours of work, which we dare not count, went into the collective effort deployed in the last few months to give shape to a set of parameters that will guide us in the coming decades. But time didn’t stop for all that, and the Association’s current affairs could not be set aside. They were handled with diligence and intensity, making this a record year in terms of service delivery for our organization.

Our timeline was short and our objectives many. Ideas were debated in a spirit of collective effort aimed at building something together. Our goal was to think ahead in order to ensure that our profession – real estate brokerage – will be around for a long time to come.

Our work is aimed at developing new regulations that reflect reality today and for the coming years. We are daring to seek a new way to act and think for the individual carrying out professional acts, and a new way to designate this individual, i.e. real estate broker. We also want a new way to identify the place where this person works – the agency –, and a new responsibility to the public that is complete, shared and fully accepted.

We want to clarify and simplify the rules, gather these into a coherent whole, make them easier to understand and lighten the task and burden of implementing them for agencies, brokers and the public.

We want to give mortgage brokerage people their own identity and framework and a recognition that has been much too long in coming. We hope they buy into our Association and make it theirs.

We want to attract people to our profession and we want to give people with related experience in other fields an opportunity to put their skills to use and enrich real estate brokerage by joining us.

We want the notion of “skills” to be the basis of our entrance and maintenance mechanisms by defining these skills and the fields of practice in which they will be used. This means new parameters for training and examinations.

We are daring to review the principles of representation of the parties to a transaction in order to ensure more transparency in the eyes of the client. We want to reinforce the principle of collaboration, without which real estate brokerage would have very little effectiveness in a highly competitive market economy.

We want to clarify some of the principles regarding compensation and allow those who practice real estate brokerage as part of an agency to incorporate and receive their compensation through a company of which they are a shareholder.


We want to broaden the use and extend the benefits of trust accounts, which provide a guarantee of security for the sums entrusted to licence holders but that do not belong to them.

We want to protect the rights of people already working in the field of real estate brokerage and make sure no one will lose acquired rights during the transition.

We want to oversee people who come from other jurisdictions and who conduct occasional transactions by requiring them to obtain special authorization.

Regarding forms, we want to eliminate the notion of mandatory forms and introduce the notion of mandatory content, in order to support the evolution of documents and practices. This is a great example of ways in which the load can be lightened.

We want to simplify the keeping of records and registers and promote electronic document management, including the use and validation of electronic signatures. The implementation of these principles will revolutionize the way we work.



We want the protection provided by the Fonds d'indemnisation to reflect today's values. This is what we have done by proposing to increase the maximum compensation from \$15,000 to \$35,000.

We want to review the make-up of the Board of Directors and certain aspects of its operations.

We want to give renewed credibility to our profession.

I look forward to our organization's name change. The OACIQ, or *Organisme d'autoréglementation du courtage immobilier du Québec*, will finally reflect its true nature, the role it plays and the services it provides.

If I had one wish, I would be for each licence holder to spend at least a year working at the Association, in order to gain a better understanding of how the organization works and to have an opportunity to work alongside a group of highly dedicated people, the Association's staff.

I put a lot of energy in the Association's affairs. I didn't see this second year go by as Chair of the Board of Directors. Like other Board members, I had to juggle work, family and associative life. The Board of Directors has worked very cogently. These people are passionate about their profession, they are wise and graced with visionary faculties. Our meetings and exchanges were animated. The members of the Board placed their trust in me and I thank them for that. I also thank Robert Nadeau, President and Chief Executive Officer of the Association and accountable to the Board for the work accomplished by a solid, experienced and multi-talented team that loves and is committed to real estate brokerage.

We want to become an added value, the real estate reference in the eyes of our clients and the public. Each person who works in the field of real estate brokerage in Québec must DARE TO WANT, DARE TO BE and DARE TO BECOME this REFERENCE in real estate brokerage. When our group becomes that indisputable reference, we will increase our market penetration and the public will be better protected. Only with everyone's commitment to achieving this objective will the word profession take on its true meaning.

It is what the Board of Directors, management and staff of the Association and the dozens and even hundreds of people who took part in the Association's work in the last year have done. We have defined this new value-added service offer, which is underpinned by the universal values of competence, transparency, coherence, collaboration and care for public interest and the common good.

Through all these in-depth changes, we have dared to advance our profession. We wanted to do it, and we did it. ■



Christiane St-Jean
Chair of the Board of Directors

HIGHLIGHTS

ADOPTION AND SANCTION
BY THE QUÉBEC NATIONAL
ASSEMBLY OF THE
REAL ESTATE
BROKERAGE ACT

PREPARATION WORK ON
THE REGULATIONS

SCHEDULED TO COME
INTO FORCE IN 2009

NUMBER OF MEMBERS (REAL ESTATE BROKERS AND AGENTS)

	2009	2008	2007
as at January 1	17,323	16,363	15,732
as at december 31	–	20,276	18,714

STATEMENT OF INCOME

	2008	2007	2006
Revenues	\$ 12,631,768	\$ 11,585,801	\$ 10,497,641
Expenses	\$ 12,216,288	\$ 10,463,883	\$ 10,299,796

REQUESTS FOR INFORMATION TO INFO ACAIQ

	2008	2007	2006
	49,428	36,000	30,000

EDUCATION ACTIVITIES

	2008	2007	2006
	476	314	281

REQUESTS TO THE ASSISTANCE SERVICE

	2008	2007	2006
	1,854	2,272	2,147

INVESTIGATIONS BY THE OFFICE OF THE SYNDIC

	2008	2007	2006
Investigations opened	268	270	317
Investigations completed	318	336	282
Complaints filed	87	97	91

CERTIFICATES REVOKED/SUSPENDED BY THE DISCIPLINE COMMITTEE

	2008	2007	2006
	40	45	60

BROKERS INSPECTED BY THE PROFESSIONAL INSPECTION DEPARTMENT

	2008	2007	2006
	443	362	311

APPLICATIONS REVIEWED BY THE CRIMINAL OFFENCE REVIEW COMMITTEE

	2008	2007	2006
Applications submitted	52	47	71
Applications denied	4	6	9

ILLEGAL REAL ESTATE BROKERAGE ACTIVITIES

	2008	2007	2006
Requests received	200	207	104



Robert Nadeau

President and Chief Executive Officer

“ For a highly competent real estate broker in full control of each real estate transaction ”

REPORT FROM THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

The Real Estate Brokerage Act adopted in the early 90's provided us with an interesting instrument, largely modeled after the systems used by professional orders. In many ways though, the government had retained a good many powers and had not seen fit to give us full latitude. This is no longer the case. The adoption and sanction of the Real Estate Brokerage Act by the National Assembly signals recognition, by the legislator and by Québec society as a whole, of the value of the work accomplished by the real estate brokerage field in the last 15 years in overseeing the professionals working in this area.

The new Act, adopted and sanctioned in May 2008, and the Regulations thereunder, provide real estate brokers and agents with every means that can be placed at the disposal of a professional group to fully regulate its own professional practices. The legislator has filled in the gaps and remedied the flaws noted in the current regime and has innovated in many regards. The new legislation includes elements found in no other professional legislation that are drawing surprise and envy from other groups. It is a great victory for the profession of real estate broker and a success that is owed to all stakeholders in the field, individuals and organizations alike, who worked together towards the common good and in the best public interest.

Exceptional exchanges and collaboration with government authorities

For the Association, this legislative change has been the highlight of the past year and signals a major shift that is impacting all aspects of its operations, directions and procedures. This new legislative instrument grants increased powers to the oversight organization, including the task of drafting the Regulations. ▶

Many discussions with the government took place in the months leading up to the adoption of the new Act. Starting in May, when we had to begin our regulatory work for the application of the powers and principles included in the legislation, these discussions took the form of a continuous exchange of ideas, advice, recommendations and suggestions. This joint work allowed us to progress quickly to draft the new rules, section by section, and to turn this readiness to transform our environment into clear, specific and easy-to-understand texts. Throughout we were gratified to find great openness and respect for our practices on the part of government representatives.

The heart of the reform

At the heart of the reform is the real estate broker, that is the physical person who delivers the services to the consumer. The broker is provided with a framework and all the tools he needs to be highly competent and to have complete control over his role as orchestrator of a real estate transaction. For the public, this role is no longer limited to providing information or acting as an intermediary. The broker must be at the heart and drive every step of the transaction. He must use his knowledge and experience to apply an enlightened professional judgement to each situation he encounters.

In her report, Christiane St-Jean, Chair of the ACAIQ Board of Directors, mentions a long list of changes. Other measures put in place are also mentioned throughout this annual report. Several of these will have a direct impact on the organization's operations, including the creation of a licence issuance and maintenance committee and the changes made to all aspects of the right to practice, including the verification of an applicants' record. Functions related to mediation, dispute resolution and arbitration will also need to be put in place. As well, the rules regarding record-keeping will be relaxed and simplified.

Information, public interventions and events

At the Association, information takes various forms. The first is of course our Info-ACAIQ telephone information centre. This is a front-line service for buyers, sellers, brokers, agents, and indeed anyone who needs information about anything to do with real estate brokerage. We responded to 40,092 telephone inquiries, plus 9,336 more received by email, for a total of 49,428 inquiries.

Our public website, ACAIQ.COM as well as our SYNBAD space for real estate brokers and agents, constitute another major component of our information activities, with tens of thousands of visitors and even more pages viewed and documents downloaded. This includes the launch of the 2008 version of the Association's electronic forms on SYNBAD, greatly improved but still free, providing total freedom for users to create, fill out, print and save their transaction forms on their own

computer or on a secure server. In addition, data exchange is now possible between the e-form system and the Multiple Listing Service of the Chambre immobilière de Québec, greatly simplifying the task for users. This component also includes the *INFO ACAIQ* newsletter, the *INFOLETTER* electronic newsletter, and a host of brochures and pamphlets.

For many years now the Association has been a primary resource for the media. Our interventions are constant and varied. Issues relating to the environment, health and security, building and housing are increasingly in the forefront and are indicative of a social trend that real estate brokers must take into account.

Moreover, we took part in about ten conventions and exhibitions and we sponsor a number of organizations or special events as prime ways to create a presence for the Association and the field of real estate brokerage.

When it comes to information and communications, the last year eclipsed all others. The ACAIQ is everywhere.

Real estate broker training

In the area of training, we are going from an environment based on simple knowledge acquisition to an environment focusing on skills development and verification. This transition is made clear in the new legislative and regulatory framework, including by the powers granted to the Professional Inspection Committee to order licence holders to attend training. Also, the entrance examination to the profession which applicants will have to take will be based on the skills that a person must possess for the type of licence applied for. We will no longer be limited to measuring a large array of knowledge acquired; we will also be evaluating the individual's know-how.

This transition has guided our training activities over the course of the last year, including the development, distribution and delivery of continuing education activities. This is a structured program which includes 42 conferences, seminars, workshops and short sessions covering the skills a person needs to practice the profession. There are several novelties, including a session on successions and another on radon, which we developed and presented jointly with Health Canada. In all, we held 476 education activities which were attended by 12,064 brokers and agents. Continuing education units have been awarded to the participants.

CONTINUING EDUCATION ACTIVITIES

	Activities	Participants
2006	281	7,839
2007	314	9,737
2008	476	12,064

There is also all the work accomplished to develop competency frameworks. These will allow candidates wishing to enter the profession to identify the skills they need and to learn them based on specific professional situations and actions. These frameworks cover four fields of practice, i.e. residential, commercial and mortgage brokerage, plus one specific to executive officers of agencies.

The competency frameworks are reference tools that will be used by teaching establishments to help candidates prepare for the entrance examination. Entrance examinations will no longer be multiple-choice; rather, the candidate will be given a situation and will have to describe his actions and show that he is able to bring that particular transaction to fruition in accordance with the law and while ensuring the protection of the parties. Sample examinations were developed and presented to major stakeholders in the field in the course of the year.

The last point in terms of training is the ongoing development of professional practices guides. These guides will help candidates prepare for the examination and also serve as a reference tools for those already in practice.

The duties of a real estate broker are quickly evolving. In addition to the duty to inform and advise, we are seeing the emergence of a duty related to security: security of the patrimony and security of the parties to a transaction. This emanates from the new obligations in terms of identity verification and of the due care that must now be exercised regarding environmental factors such as blue algae, water quality and soil contamination.

The real estate broker will have to propose services that meet the client's needs. In future, the rules of conduct will be much clearer.

The new regulations are taking us towards new horizons. They will help us get through the upcoming period of uncertainty, improve the public's perception of real estate brokerage, and ensure the survival of the profession, which is gratifying for those who practice it and reassuring for those using the services. ►

BREAKDOWN OF ACAIQ MEMBERSHIP (as at January 1)

By certificate category

	2009	2008	2007
Chartered agent	2,725	2,572	2,406
Affiliated agent	12,796	12,053	11,633
Chartered broker	1,742	1,677	1,627
Affiliated broker	60	61	66
Total	17,323	16,363	15,732

By sex and average age*

	2009	2008	2007
Men (average age: 49)	9,238	8,751	8,393
Women (average age: 48)	6,779	6,370	6,148
Total	16,017	15,121	14,541

* Natural persons only

MANDATORY EXAMINATIONS – 2008

	Affiliated agents	Chartered brokers and agents
Number of examinations	3,224	371
Number of successes	2,770	274
Success rate	85.92 %	73.85 %
Failure rate	14.08 %	26.15 %
Average grade	76.04 %	71.93 %

CERTIFICATE MANAGEMENT

	Activities / Brokers' certificates			Activities / Agents' certificates		
	2008	2007	2006	2008	2007	2006
Renewals as of December 31	1,669	1,599	1,575	14,659	14,105	13,294
Issuances	224	207	188	4,247	3,245	3,581
Reclassifications						
Chartered broker > Chartered agent	24	26	24	24	26	24
Chartered agent > Chartered broker	41	38	33	41	38	33
Affiliated agent > Chartered agent	-	-	-	254	241	210
Reinstatements	4	6	6	2,150	2,264	1,921
Suspensions	35	39	50	3,740	3,730	3,507
Expirations	125	120	119	2,997	2,476	2,736
Cancellations	47	42	21	19	18	21
Relinquishments	7	11	0	342	168	9

A record number of real estate brokers in Québec

We currently have a record number of individuals authorized to practice real estate brokerage in Québec, whether the count is taken at December 31, 2008 or at the beginning of 2009, once all certificate renewals and expirations have been completed. The Association had close to 21,000 members at the end of 2008. Since we had begun the year with 16,363 members, this represents unprecedented growth, fed by a record 3,595 candidates to the certification examinations. This trend continued at the January 1, 2009 renewal, when membership stood at 17,323, (1,742 chartered brokers and 15,581 affiliated or chartered agents and affiliated brokers). This number is up 960 members from the same time last year, another record increase of almost 6%.

But uncertain economic times are indicating that these numbers will be difficult to sustain, at least in the short term. We are reaching the end of a long expansion cycle that contributed more than ever before to the development and structuring of the real estate broker's profession. We have witnessed exceptional improvements in the quality and range of services offered to the public. The legislative and regulatory changes announced are confirming this and will result in propelling us to even greater heights in the years to come.

BREAKDOWN OF ACAIQ MEMBERSHIP (AS AT JANUARY 1, 2009)

BY REGION	Brokers	Agents	Total
Montreal region			
Montreal (06)	613	5,752	6,365
Laval (13)	115	1,747	1,862
Montréal (16)	342	3,000	3,342
Sub-total	1,070	10,499	11,569
Québec City region			
Québec City (03)	194	1,305	1,499
Chaudière-Appalaches (12)	35	177	212
Sub-total	229	1,482	1,711
Eastern region			
Bas-Saint-Laurent (01)	11	107	118
Saguenay-Lac-Saint-Jean (02)	17	233	250
Côte-Nord (09)	7	39	46
Gaspésie-Îles-de-la-Madeleine (11)	4	17	21
Sub-total	39	396	435
Central region			
Mauricie-Bois-Francs (04)	48	383	431
Estrie (05)	69	383	452
Lanaudière (14)	65	634	699
Sub-total	182	1,400	1,582
Western region			
Outaouais (07)	52	521	573
Abitibi-Témiscamingue (08)	8	52	60
Laurentides (15)	162	1,231	1,393
Sub-total	222	1,804	2,026
Total	1,742	15,581	17,323

Note: The numbers in brackets indicate the numbers of Québec's Administrative Regions

BY FRANCHISER	Brokers	Agents	Total
Century 21	31	846	877
Colliers International (Québec) Inc.	2	27	29
Exit	16	140	156
Groupe Sutton	73	2,558	2,631
Hypotheca Courtier hypothécaire	7	159	166
La Capitale	82	1,507	1,589
Le Permanent	2	9	11
Multi-Prêts Hypothèques	7	436	443
RE/MAX	223	3,444	3,667
Royal LePage	81	1,838	1,919
Trans-Action	1	3	4
Sub-total	525	10,967	11,492
Independents	1,217	4,614	5,831
Total	1,742	15,581	17,323

Note: A franchiser is a company that grants at least one franchised chartered real estate broker the right to use its brand and operate its system based on the terms and conditions set out in the franchise contract.

Summary of activities related to real estate brokerage

Files carried over from previous years	173
Files opened between January 1 and December 31, 2008	200
Total	373

Files closed in 2008

Reasons for closure

Insufficient proof or prescription	122
Advertising only	2
Owner of immovable or lessee	0
Exception to section 2 of REBA	1
Guilty plea	11
Judgment (guilty verdict)	26
Judgment (acquittal)	0
Other	2
Total	164

Active files as at December 31, 2008

Status of pending cases

Under investigation	144
Awaiting trial (Court of Québec)	58
Under appeal	2
Awaiting judgment or appeals deadline	5
Total	209

Annual comparison – Activities related to illegal brokerage

	2008	2007	2006
Files open during the year	200	207	104
Files actives as at December 31	209	173	123
Cases awaiting trial	50	26	17

Illegal brokerage cases

The number of complaints or denunciations related to illegal brokerage received in 2008 is comparable to last year's, i.e. 200 compared to 207 in 2007. However, this volume of open cases remains much higher than in previous years, when it stood at about a hundred cases a year. The number was 104 in 2006.

Consequently, the number of cases awaiting trial has almost doubled. We had 58 at the end of the year involving all fields of practice, including the purchase, sale or leasing of immovables or enterprises and in the area of loans secured by immovable hypothec. We obtained 26 guilty verdicts and 11 guilty pleas. Two cases in which decisions were rendered in 2008 are under appeal.

Significant changes will be brought about by the new Real Estate Brokerage Act to control illegal practice. The new Organization will have search powers, which in the past we lacked to be able to conduct our investigations more easily and to gather sufficient evidence. This new tool, combined with the fact that prescription will be increased from one to two years, will give us more flexibility. The deterrent effect of fines for those found guilty of illegal brokerage will also be greater, with fines henceforth ranging from \$1,500 to \$20,000 for natural persons and from \$3,000 to \$40,000 for legal persons, and being doubled for repeat offenders.

Too often still, consumers get shafted and find themselves with nothing, no protections or remedies, because the individuals they are dealing with don't have the necessary authorizations or skills. All means must be put in place to eradicate these abuses, and the new legislation will allow us to do that.

Funding challenges

The development of a new regulatory framework also required us to review the current and future financial aspects of our organization's operations. We took a close look at the way various professional organizations are funded in Québec. Our observations, validated by an outside firm, clearly indicate that the Association's current funding structure is inadequate as it is based in great part on the flow of newcomers to the profession and those leaving it, as well as on agent movements between brokerage firms. It is an unstable funding

structure, favourable when the cycle is up and catastrophic when it is down. There is no comparable situation in other professional groups, whose funding is much more stable because they do not have such movements. We must minimize the economic impacts of these fluctuations and we have an opportunity to do so. The current reform in the long term will result in a stabilization of the number of individuals practicing real estate brokerage. The financial structure of our organization must reflect this model. By eliminating reinstatement fees and no longer distinguishing between the fees payable to issue or maintain a licence, by reviewing the amount of these fees and ensuring a sufficient contribution to the Fonds d'indemnisation from an actuarial point of view, we will guarantee to the public full access to the protections and services promised and expected for years to come.

Our income statement shows a surplus of \$415,480, which is less than last year but more than we projected. This surplus increases our assets to over \$4,329,940, which will be reinvested in the transformation of our organization and the restructuring of several aspects of our operations.

We have also repatriated our computer maintenance and development services. These had been outsourced for the last several years, and the timing seems right and financially appropriate to review this whole aspect.

These unique circumstances, coupled with the scale of the dossiers and topics tackled, required unprecedented availability on the part of the members of the Board of Directors. They provided direction and reviewed, corrected and validated the projects submitted. It is important to note that in all these transformations, the members of the Board have the last word. Although they are not experts in regulatory affairs, training or public affairs, they must exercise judgement on what is proposed and make sure that the decisions coherently address the oversight needs and objectives of the profession. The contribution of Board members has been remarkable. They were able to rise above their personal and professional considerations, keeping their eye on public interest. I thank them for their continued presence and their unfailing trust in the Association's staff. I would especially like to recognize the energy, passion and mobilizing force of Board Chair Christiane St-Jean, who brought her great talent to the challenges of the job.

The Association's staff also showed exceptional stamina, availability and dedication. In this fast-moving environment, we had to free up certain individuals to work on special projects. But because our teams are strong and well-honed, we were able to do so without hampering our ongoing activities, which, as indicated several times in this report, reached a historic level. We have tough, capable and empathic teams, and I thank them very proudly. ■



Robert Nadeau
President and Chief Executive Officer

STATISTICS – OFFICE OF THE SYNDIC

SYNDIC FILES REFERRED TO PROSECUTORS DURING THE YEAR

	2008	2007
	134	133

INVESTIGATION REPORTS UNDER OR AWAITING REVIEW BY PROSECUTORS

As at December 31	2008	2007
	59	28

NUMBER OF COMPLAINTS FILED

As at December 31	2008	2007
	87	97

CASES CLOSED AFTER PROSECUTORS' REVIEW (NO COMPLAINT FILED)

As at December 31	2008	2007
	2	1

STATISTICS – ASSISTANCE SERVICE

REQUESTS RECEIVED BY THE ASSISTANCE SERVICE

	2008	2007
	1,854	2,272

REQUESTS PROCESSED BY THE ASSISTANCE SERVICE

	2008	2007
	1,869	2,220

BREAKDOWN OF REQUESTS PROCESSED

	2008
Closed by the Assistance Service	1,417
Transferred to the Office of the Syndic	255
Transferred to Legal Affairs for reasons relating to illegal brokerage	197

NATURE OF REQUESTS – BREAKDOWN BY MAIN SUBJECTS

	2008
Verifications, information, advice	424
Collaboration	219
Unfair practices	203
Illegal brokerage	201
Service	197
Fraud, forgery, embezzlement	167



H el ene Morand
Syndic

“ Quality of the professional actions of real estate brokers and agents ”

REPORT FROM THE OFFICE OF THE SYNDIC

Collaboration between members of the Association is a fundamental aspect of our professional practices. This collaboration is a cohesiveness mechanism that is specific to our profession. Its principles are outlined in the Regulations; without this cohesiveness, real estate brokerage would not meet the needs and expectations of consumers. In 2008 I had the great privilege of organizing a tour and giving a conference on this topic a total of 27 times all across Qu ebec. Meeting the 2,500 or so participants was an amazing experience.

Knowing and understanding the principles of collaboration still poses a serious challenge in our field, as illustrated by the statistics from the Assistance Service: we received 219 requests dealing with this aspect in the past year. It is clear that we must talk about it constantly in order to support and improve the understanding that brokers and agents have of this principle and of its benefits. The new Real Estate Brokerage Act will bring changes that will provide increased support for the principle of collaboration. New requirements will be introduced regarding the listing of immovables on MLS as well as compensation sharing and the explanations that clients are entitled to receive. These measures will result in energizing the market by promoting information sharing and collaboration and by reducing the risk of conflicts of interest, which are detrimental to exchanges.

Fraud

Our results show a significant reduction in the number of “marijuana growhouses”. When I started in the job three years ago, there were about sixty cases under investigation. Only a few of those remain, and we only very rarely receive new cases. These positive results are a direct result of the Association’s concerted efforts: conferences and training sessions, collaboration with various public bodies, sustained presence in the media and very strict penalties imposed by the Discipline Committee. It is clear that real estate brokers and agents no longer want to play any role in these networks. This is a perfect example of public protection. ▀

On a less positive note, we have observed a notable surge in the number of fraud cases. These include the traditional “flips”, price-inflating schemes and forgery, notably leases and confirmations of employment. For the Office of the Syndic, these are complex cases that take a long time to process and that are currently mobilizing over 50% of our resources even though they only represent 30% of the cases under investigation. We are dealing with well-established and far-reaching networks with sizeable means at their disposal. The penalties are heavy, creating a fresh problem: almost all fraud cases are appealed, requiring time and preparation.

But despite the spike in these heavy cases, we ended the year with 196 cases under investigation or awaiting review, compared to 248 cases at the end of the previous year. This represents a 20% decrease and it’s the second consecutive year where we manage to reduce this number. Cases under investigation numbered 312 at the end of 2006.

The number of requests for investigation received was about the same as last year at 270. Of the cases investigated, 134 were transferred to the Association’s prosecutors, potentially to be brought before the Discipline Committee. A total of 87 complaints were filed with the Discipline Committee.

The Assistance Service

The Assistance Service, for its part, received 1,854 requests during the year. This represents a significant drop, due in great part to measures introduced at the end of last year by which requests emanating from agents must be signed by the manager of their establishment, and requests related to advertising or business plans must also be referred to the latter. These measures have borne fruit and have helped us achieve our objectives of lightening the administrative load and reducing request processing time.

About 55% of all requests for assistance emanate from members of the public. It is interesting to note, in assessing service quality and performance, that out of 1,869 cases handled, we only received 13 requests for a review, representing less than 1% of cases.

Apart from the lack of understanding of the principles of collaboration and the fraud cases which we have already discussed, the main problems that were referred to us regarding the practice of real estate brokerage related to information verification and advice, unfair practices and poor service. These are constants on which the Association – soon to become the Organisme d’autoréglementation du courtage immobilier du Québec – as well as all individuals involved in the field of real estate

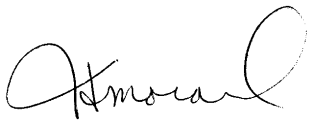
INVESTIGATIONS INVOLVING ACAIQ MEMBERS

	Investigations opened during the month		Investigations completed during the month		Under investigation or awaiting review	
	2008	2007	2008	2007	2008	2007
January	22	9	30	28	239	293
February	19	22	31	28	227	287
March	23	11	28	32	221	266
April	25	32	27	23	219	275
May	29	28	26	35	222	268
June	16	25	30	44	208	249
July	21	25	29	27	200	247
August	7	3	12	22	195	228
September	41	18	23	15	213	231
October	34	52	39	32	208	251
November	16	26	22	31	202	246
December	15	19	21	17	196	248
Total	268	270	318	336		

brokerage must focus in order to continue improving the services offered to our clients and the general public.

As the new legislation and regulations come into force, the environment of the Office of the Syndic and the Assistance Service is bound to change. With the recognition of the Assistance Service under the new legislation, a first in Québec for professional oversight organizations, we will be better equipped than ever to support the broker profession and enhance it in the eyes of the public.

The Office of the Syndic and the Assistance Service are represented by a team of about fifteen experienced and dedicated individuals. Their collaboration is exemplary and I am proud to be their representative. My sincere thanks to all. ■



Hélène Morand
Syndique

OFFICE OF THE SYNDIC TEAM

Mario Baillargeon

Senior Assistant to the Syndic

Giovanni Castiglia

Assistant Syndic and Advisor

Carletta Calin

Records Agent

Isabelle Daoust

Records Agent

Robert Deschamps

Assistant Syndic

Yves Gardner

Assistant Syndic

Sylvie Jacques

Investigator

Réjean Lebel

Assistant Syndic

François Pigeon

Assistant Syndic and Advisor

Julie Pinet

Investigator

ASSISTANCE SERVICE TEAM

Lina Antinozzi

Analyst

Caroline Domingue

Analyst

Richard Frigon

Analyst

Cathy Galanopoulos

Analyst

Christiane Jalbert

Analyst

Pascale Montpetit

Analyst

Paul Robitaille

Manager

MAKE-UP OF THE DISCIPLINE COMMITTEE

For the year 2008, the Discipline Committee of the Association des courtiers et agents immobiliers du Québec was made up of the following members.

Members

Albert, Darlene	Lemaire, Frantz
Ariëns, Imelda	Leroux, Robert
Barrette, Renée	Liboiron, Michel
Beauregard, Pierre	Longo, Vito
Belley, Louise	Mailloux, Luc
Bissonnette, Suzanne	Mammarella, Domenico
Bolduc, Daniel	Marchand, Denyse
Bolduc, Danielle	Merrien, Thierry
Bureau, Denis	Morrow, René
Cayer, Louis	Paquette, Brigitte
Charron, Claude	Paquette, Rolland G.
Cholette, Ginette	Paquin, Michel
Chopra, Raman	Racine, Normand
Ciocca, Salvatore	Roy, Louise
Corbeil, Jean-Marc	Ruiz, Carlos
Couturier, Roger	Rzik, Abdelaziz
Daoust, Robert	Stathakis, Georgios
De Langavant, Laura-Nancy	Tassone, Vittoria
Dufresne, Yvan	Thibault, Renaud
Dufresne, Yves	Thibault, Sylvain
Dupras, Marie-Andrée	Villiet, François
Fecteau, Luce	
Forlini, Nancy	
Gagnon, Antoine	
Gagnon, Micheline	
Gagnon, Normand	
Gaspard, Jean-Pierre	
Gaulin, Patricia	
Giroux Laveau, Lana	
Goulet, Christian	
Hardacker, Lois	
Havard Grisé, Suzanne	
Jacques, Sylvie	
Jones, Stewart	
Lamirande, Mario	
Langelier, Michèle	
Larouche, Céline	
Lavigne, Danielle	
Lecompte, Éloi	
Léger, Éric	

Secretary

Chantal Peltier

Chairman

M^e Patrick Choquette

Substitute Chairman

M^e Gilles Duchesne

CLERK STAFF

Chabha Amirèche

Disciplinary Records Agent /
Court Clerk

Catherine Lalonde

Disciplinary Records Agent /
Court Clerk



M. Patrick Choquette
Chairman of the Discipline Committee

REPORT FROM THE DISCIPLINE COMMITTEE

The Discipline Committee reviews all complaints made against members of the Association des courtiers et agents immobiliers for violations to the provisions of the Real Estate Brokerage Act and the Regulations thereunder.

The Discipline Committee is constituted pursuant to the Act. It is fully autonomous and independent from the Association's Board of Directors and staff.

Each complaint is reviewed by a committee comprised of two members of the profession and a chairman or substitute chairman. The two members of the profession who sit on the Committee are selected from a group of real estate brokers and agents appointed to the Discipline Committee by the Board of Directors of the Association for a three-year term. The Board also appoints the Committee's secretary. The chairman and the substitute chairman are lawyers appointed by the government.

The Discipline Committee is governed primarily by the provisions of the *Professional Code*. Some Committee decisions may be appealed before the Court of Québec. ▶

Discipline Committee complaints, hearings and decisions (Tables I and II)

(January 1 to December 31, 2008)

Generally speaking, the complaints handled by the Discipline Committee are related to major offences. Minor or technical offences are usually resolved by the Association's Assistance Service without the need for investigation by the Office of the Syndic. As of December 31, 2008, the Office of the Syndic of the Association had brought 87 complaints before the Discipline Committee.

The Committee held 15 hearings on temporary revocation, 64 hearings on guilt (including motion hearings) and 72 hearings on penalties (including hearings on guilt / penalties). Adjournments were granted 48 times.

The Committee rendered 3 decisions on temporary revocation, 43 decisions on guilt, 39 decisions on penalties, 25 decisions on both guilt and penalties following a guilty plea, and 2 non-guilty decisions. At year's close, 8 decisions on guilt and 15 decisions on penalties were under deliberation.

Penalties (Tables III and IV)

The Discipline Committee may impose penalties that range from a reprimand to a temporary or permanent revocation of the right to carry out the profession. It may also impose fines between \$600 and \$6,000 per accusation count. The amount of these fines will increase substantially for offences which occurred after December 4, 2007. Penalties are determined by the Committee based on the seriousness of the offence and the circumstances in which it was committed, and with a view to protecting the public.

TABLE I

Number of cases

	2008	2007
Current as at January 1	102	92
Filed during the period	87	98
	189	190
Less		
Decisions rendered on penalties	64	81
Acquittals	2	5
Withdrawals/terminations of proceedings	0	2
Cases pending as at December 31	123	102

TABLE II

Hearings – Postponements – Decisions

	2008	2007
Hearings held		
On temporary revocation	15	7
On guilt	64	71
On penalties	72	65
Postponements granted		
Before the hearing	48	52
Decisions		
Under deliberation on temporary revocation	0	0
Under deliberation on guilt	8	11
Under deliberation on penalties	15	5
Rendered on temporary revocation	3	2
Rendered on guilt	43	45
Rendered on penalties	39	36
Rendered on guilty plea	25	45

The Committee issued 19 reprimands and imposed 45 fines totalling \$141,400. In general, the payment of costs is ordered each time a guilty decision is rendered. In addition, there were 17 cases where the Committee recommended that the Board of Directors require a member to take courses and pass the corresponding exams. In six cases, it recommended that the member attend a continuing education course, in seven cases, it ordered restrictions on the right to practice and, in three others cases, it issued other types of orders. There were also 40 cases of certificate suspension / cancellation for periods ranging from 15 days to permanent revocation.

In 2008, a total of 33 notices of suspension issued by the Committee were published in newspapers, and 3 notices were published in *Info ACAIQ* and on the Association's website only.

Nature of charges

The accusations brought before the Discipline Committee dealt with violations to the *Rules of Professional Ethics of the ACAIQ*, the *By-law of the ACAIQ*, the *Regulation respecting the application of the Real Estate Brokerage Act* or the *Real Estate Brokerage Act* itself. It should be noted that a charge may be brought under more than one section of the Act or regulations.

I thank the staff of the Clerk's office, all the members of the Committee, and especially the substitute chairman, Me Gilles Duchesne, for their great availability and their exceptional contribution to the work of the Discipline Committee. ■



Patrick Choquette
Chairman of the Discipline Committee

TABLE III

Penalties

	2008	2007
Penalties ordered		
Reprimands	19	19
Fines	45	57
Mandatory courses	17	20
Restrictions on right to practice	7	6
Revocations/suspensions *	40	45
Continuing education	6	28
Other orders	3	2

* Suspensions ordered by the Discipline Committee are sometimes accompanied by a fine. In addition, the Committee may suspend a defendant's certificate on several counts of the same complaint.

TABLE IV

Fines and publications

	2008	2007
Penalties		
Total fines	\$ 141,400	\$ 176,800
Publications in newspapers (In accordance with section 137 of the <i>Real Estate Brokerage Act</i>)		
Suspensions/revocations	33	48

MEMBERS OF THE PROFESSIONAL INSPECTION COMMITTEE

The members of the Professional Inspection Committee are appointed by the Association's Board of Directors. The members of the Committee for the year 2008 were:

Chairman

Raymond Desbiens

Members

Laurent Bennarous

Nathalie Clément

Pierre Martel

Marc-André Pilon

Committee Secretary

Claudie Tremblay

Vice-President

Professional Inspection and Certification

Substitute Secretary

Francine Boucher

Director

Professional Inspection

PROFESSIONAL INSPECTION DEPARTMENT TEAM

Doreen Carrière

Agent

Johanne Langlois

Agent

Louise Dessureault

Inspector

Serge Legault

Inspector

Karyne Dubreuil

Assistant

Marie Thérèse Lessard

Inspector

Rim Hadjem

Administrative Assistant

Diane Martineau

Inspector

Patrick Hiriart

Inspector



Raymond Desbiens

Chairman of the Professional Inspection Committee

“ Taking the different fields of brokerage practice fully into account ”

REPORT FROM THE PROFESSIONAL INSPECTION COMMITTEE

Professional inspection is a preventive activity. It exists to ensure a constant improvement in the management of brokerage firms and offices and the work methods and professional actions of real estate brokers and agents. It is the approach favoured by the Committee, and it guides all the activities and actions of the Professional Inspection Department and its staff, which you will find outlined in this annual report.

Residential, commercial and mortgage brokerage

Real estate brokers, whether they work in residential, commercial or mortgage brokerage, are now inspected at the same frequency. This objective, which the Committee had set three years ago, has now been fully achieved. To do so, we developed inspection protocols for each of these fields of practice and implemented processes by which all brokers, on an alternate-year cycle, either receive the visit of an inspector or perform a self-inspection using a mandatory questionnaire. Added to this is the online self-evaluation which must be completed once a year.

Thus 315 residential brokers, 92 commercial brokers and 36 brokers working in mortgage brokerage or other fields were visited by an inspector in the course of the past year. This represents an increase of 81 visits over last year. To these were added some 406 self-inspections, using an extensive questionnaire touching on all aspects of the management of a brokerage office: advertising, contracts and transactions, records, conflicts of interest and disclosures, including in the area of referrals. The questionnaire also covers trust accounts, document management and confidentiality. ▶

Online inspections, which take the form of an abridged questionnaire, were completed by 1,244 brokers in 2008. Of this number, only one broker did not fill out his self-inspection completely. In such cases, the Committee is notified and, if the situation cannot be sorted out, it is referred to the Association's syndic.

The recommendations made following these inspections deal mainly with failure to collect deposits and unauthorized compensation sharing. Incomplete records remain the subject of recommendations, but this has now become the exception rather than the norm it was several years ago. There has been enormous progress in this area.

Trust accounts

Among the brokers inspected this year, 195 had a trust account. These accounts are usually very well managed. However, there are always situations where those responsible are not clear on the accounting rules or the regulations. The education activity developed and offered by the Association on managing trust accounts allows us to help correct these flaws. We gave six such sessions in 2008, with 56 brokers and assistants benefiting from the training.

Unfortunately, inspections also uncovered a few cases of embezzlement or premature withdrawal of sums held in trust. These serious offences were immediately referred to the syndic's attention.

In total 376 brokers have a trust account, a slight decrease over last year.

Start-up sessions

New chartered real estate broker certificate holders are invited to attend a start-up session. This consists in a half-day training session that also serves as an initial inspection. It is used to review the responsibilities of the representative and the manager of an establishment and the various issues concerning agent supervision and conflict and dispute management. The keeping of records and registers is also reviewed. In all, 153 brokers attended these sessions in 2008, about 20 more than last year.

Conflicts of interest and notices of disclosure

Under the *Real Estate Brokerage Act*, a real estate agent must send the Association a notice of disclosure when he is a direct or indirect party to transaction. We examined 2,833 such notices, 48.5% of which related to a purchase, and 51.5% to a sale. Direct conflicts of interest were involved in 55% of the cases disclosed, and indirect conflicts in the other 45%.

As we know, the objective of the Professional Inspection Committee is to make sure that a notice of disclosure is completed before the broker or agent enters into an agreement with a client, therefore before the signing of a promise to purchase or sell. The Committee also aims to ensure that brokers and agents collaborate fully in order to get these notices to the buyers and sellers concerned. Significant progress has been made on this front, but we must pursue our information and awareness-raising efforts.

The many facets of continuing education

In addition to the start-up sessions for brokers and the training on trust accounts, we held around ten mandatory sessions with brokers and their agents following an inspection. These meetings, which take the form of a conference, allow us to present any points or discrepancies noted in the course of the inspection as well as the corrective action that must be taken to ensure that the practices conform to the regulations. A total of 453 agents benefited from these sessions. We also provide assistance to the administrative staff responsible for the keeping of records and registers in brokerage offices by holding training sessions for them on this topic. There were 9 such sessions, with a total of 123 brokers and assistants attending.

The new *Real Estate Brokerage Act* and the Regulations

The Professional Inspection Committee and the Inspection Department staff helped prepare some of the components of the Regulations that will accompany the new Act when it comes into force. This contribution took into account the need for maximum flexibility and adaptability to the various fields of real estate brokerage when it comes to records and registers. The nature of the transactions, the documents used and the practices are not all the same for residential, commercial and mortgage brokerage. The new regulations will need to be adapted and will have to take full advantage of the possibilities offered by electronic document management. The current regulations sometimes hampered these efforts, but that shouldn't happen with the new framework.

With the coming into force of the new *Real Estate Brokerage Act*, the Professional Inspection Committee will be in a position to verify the professional skills of brokers. It will also have the authority to ask brokers to improve their professional practices, including by requiring them to attend training in order to remedy some of the weaknesses observed. With 15 years of activities and experience and given the various processes already in place, the Committee is well prepared to discharge its new obligations.

Broker inspections	2008	2007
Commercial	92	77
Mortgage	16	40
Residential	315	234
Other (inactive)	20	11
Start-ups	153	132
Self-inspection – Long-form questionnaire (first year)	406	-
Total	1,002	494
Agent reports	1	20
Broker self-inspection – online (Long and short forms)		
	1,650	1,618
Total number of brokers who have a trust account		
As of the end of December of each year	376	389
Brokers with a trust account inspected in the course of the year	195	113
Receipt and review of notices of disclosure		
As of the end of December of each year	2,829	2,727
Referred to Assistance Service	5	8
Information letters related to notices of disclosure	605	670
Commitments		
Attending a training session or complying with various regulatory provisions	51	26

Satisfied brokers and agents

Mindful of the quality of the services it offers to real estate brokers and agents, the Inspection Committee asks brokers who have undergone an inspection to complete an appreciation questionnaire. The responses contained in the 187 questionnaires that were returned are very positive and confirm that the principle of assistance and prevention put forward is favourably received. The responses also help us understand emerging needs, review our methods and improve our services on an ongoing basis.

In ending, I would like to thank, on behalf of the Committee, the entire staff of the Professional Inspection Department. As the activity data indicates, the workload is heavy and the challenges are many. This team has taken everything in stride and has consistently supported the

Committee in its thought process and directions. I also extend my sincere thanks to the members of the Committee, whose availability and cooperation were a great asset to the profession. ■



Raymond Desbiens

Chairman of the Professional Inspection Committee

MEMBERS OF THE DECISION COMMITTEE ON CRIMINAL OFFENCES

Chairman

Léo Lapalme

Members

Paul H. Chrétien

Yvon Cousineau

Resource person

Jean-François Savoie

Vice President

Legal Affairs

Secretary

Isabelle Charlebois

Lawyer

Civil and Penal Affairs

APPLICATIONS FOR CERTIFICATE ISSUANCE AND REVIEW OF CRIMINAL OFFENCES

	2008	2007
Applications submitted	52	47
Applications refused	4	6



Léo La Palme
Chairman of the Decision Committee on Criminal Offences

“ Some situations are incompatible with the practice of our profession. ”

REPORT OF THE DECISION COMMITTEE ON CRIMINAL OFFENCES

Under our current regulations, a person who applies for a certificate must not, in the five years prior to the application, have pleaded guilty to or been found guilty by a court of a criminal offence having a link with the activity of real estate broker or agent. Anyone with a criminal record must disclose this fact to the Association when applying for a certificate. In any case, the Association routinely verifies this information.

The role of the Committee is to determine if there is indeed a link between an offence and the professional activities of a broker or agent. The Committee may require any information or documents it needs to make an enlightened decision, and applicants have an opportunity to be heard and present their observations on the existence or absence of such a link. Each case is different and the Committee takes this rigorously into account.

During the year 2008, the Committee met 9 times and examined 52 applications. Twenty-three individuals appeared before the Committee to present their observations. The presence of a link was established in only four cases, leading to the individual's application being rejected by the Association.

Criminal offences for which the Committee determined the existence of a link with the activity of real estate broker or agent related to the trafficking, possession and production of drugs such as marijuana and cocaine, or to plotting to traffic such substances. In these cases, the Association refused to issue a certificate.

New legislation

In the course of the year, the Committee was also called upon to comment on the sections of the new Act that have a direct impact on its role. Significant changes are being made since the cases where the new Organisme d'autoréglementation du courtage immobilier du Québec will be able to refuse to issue a licence will no longer be limited to criminal offences. In future the Organization will be authorized to refuse issuance of a licence or to impose restrictions or conditions thereon in cases involving bankruptcy and protective supervision of a person of full age

(guardianship, curatorship). As well, from now on penal offences will be reviewed in addition to criminal offences. Finally, the Organization will also be able to review cases in which a holder has had his licence suspended, revoked or made subject to restrictions or conditions by the Discipline Committee or a body in Québec or in another province or state responsible for overseeing and monitoring real estate brokerage.

I have had the privilege of chairing this Committee for the past three years. The other two members are Yvon Cousineau and Paul H. Chrétien. We are assisted in the clerical and legal aspects of our work by the Association's staff. I thank these individuals for their availability and the care with which they have handled each of the cases submitted to us. ■

Léo La Palme
Chairman of the Decision Committee
on Criminal Offences

MEMBERS OF THE VERIFICATION AND FINANCE COMMITTEE

Chairman

Daniel pelchat

Members

Robert Aubin
Richard Dion
Robert Nadeau
Christiane St-Jean

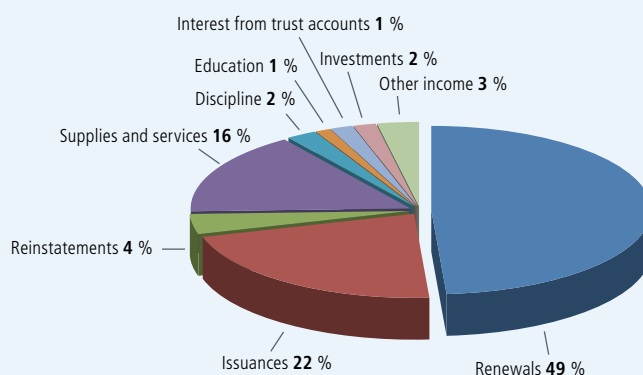
Resource persons

Claude Barsalou
Executive Vice President

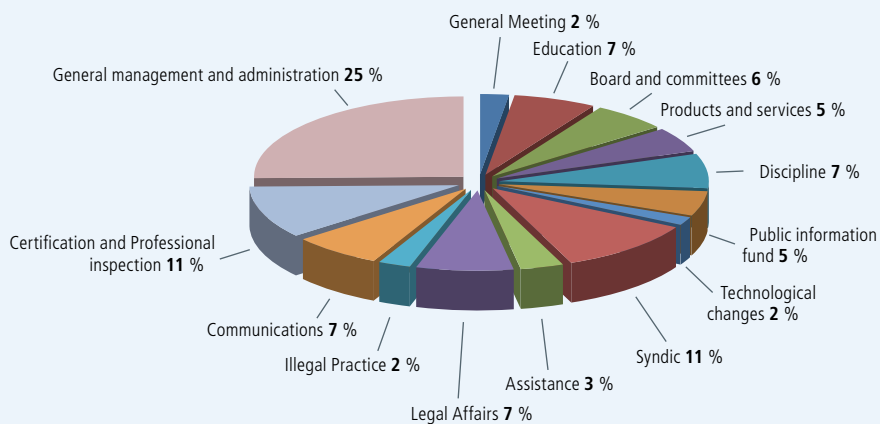
Nadine Corbeil
Manager
Accounting and Finance

Vo-Long Truong
Vice President
Administration and Finance

Revenues 2008 : \$13,780,568



Expenses 2008 : \$13,365,088





Daniel Pelchat

Chairman of the Verification and Finance Committee

“ Controls and sound management – Challenges and imagination ”

TREASURER'S REPORT

In 2008, our revenues were \$12,631,768 compared to \$11,585,801 the previous year. With expenses totalling \$12,216,288, we ended the year with a \$415,480 surplus, which will be added to the Association's net assets.

The increase in revenue is explained by the record number of renewals at the beginning of 2008, a total of 16,328 real estate brokers and agents. As the President and Chief Executive Officer indicated in his report, this number was exceeded again at the beginning of 2009. It should also be noted that revenues from the issuance of certificates increased, which had not been the case since 2005. The Association issued 4,471 certificates in 2008. Thus the number of newcomers to the profession increased significantly after remaining constant for the last few years, there again representing a historic record.

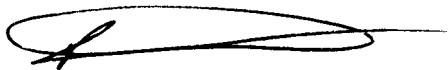
Our other revenues remained relatively stable. Revenues from the sale of forms, manuals or training courses increased, but our revenues from investments and trust account interest decreased in equal parts.

Our expenses also experienced a sizeable jump, particularly salaries and payroll taxes as well as office and occupancy expenses. These hikes are a direct result of the increase in our membership and the record highs achieved in almost every sector where we offer services. Naturally, this level of demand requires significant additional resources, including human resources. Discipline costs increased, together with training expenses and meeting and travel allocations, this last item being directly linked to the drafting of the new Regulations. ■

The Association's net assets now total \$4,329,940, a record high in our organization's history. The timing is optimal while we now have to reinvest in the organization and the profession. The conversion of our management and computer systems for the application of the new regulatory provisions, training reform, the development of new examinations and professional practices guides, as well as the relocation and refitting of our offices will entail major expenses well above our normal business expenses. We will be in a position to face this challenge.

One of the priorities of the Verification and Finance Committee in the past year was to review the organization's funding structure. The studies commissioned from independent firms identified the issue of insufficient funding, offset by the massive arrival of new members and constant movements by agents from one firm to another. We proposed a model that takes the new regulatory parameters into account and is better adapted to a professional body. Although it will cost more to be issued a broker's licence in future, the overhaul that has started to take place in our professional environment will lead to a general reduction in the cost for the profession as a whole of maintaining sufficient numbers to meet the real estate needs of the public competently.

In ending, I would like to extend my sincere thanks to the members of the Verification and Finance Committee and the Association staff responsible for the organization's financial management and controls. Their role goes well beyond the figures. The cooperation and contributions of these individuals greatly facilitated my job as Treasurer and Chairman of the Verification and Finance Committee. ■



Daniel Pelchat

Chairman of the Verification and Finance Committee



AUDITORS' REPORT



We have audited the balance sheet of ASSOCIATION DES COURTIERS ET AGENTS IMMOBILIERS DU QUÉBEC as at December 31, 2008 and the statements of income and of changes in net assets for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

*To the members of
Association des
courtiers et agents
immobiliers
du Québec*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Harel Drouin - PKF¹

Montréal, February 11, 2009

¹ CA auditor permit No. 20148

STATEMENT OF INCOME

For the year ended December 31, 2008

	2008	2007
REVENUES		
Members fees	\$ 10,269,474	\$ 9,214,053
Supplies and services - Schedule	1,516,410	1,309,618
Investments and other income	630,034	675,837
Interests on income held in trust accounts (note 7)	215,850	386,293
	12,631,768	11,585,801
OPERATING EXPENSES		
Salaries and employee benefits	4,971,386	4,119,262
Professional fees	1,541,839	1,555,648
Continuing education - Schedule	704,050	561,570
Attendance allowance and employee benefits	691,911	644,828
Discipline - Schedule	654,928	390,504
Meeting and travelling	612,504	462,867
Office expenses	544,203	513,707
Occupancy expenses	454,701	381,239
Contribution to the ministère des Finances du Québec (note 9)	400,000	400,000
Illegal practice - Schedule	321,872	374,343
Publications and public relations	291,547	190,279
Amortizations	253,317	224,286
Technological conversion	252,572	216,209
Financial expenses	227,201	127,185
Fund for public information (note 7)	218,073	219,815
Elections	76,184	82,141
	12,216,288	10,463,883
EXCESS OF REVENUES OVER EXPENSES	\$ 415,480	\$ 1,121,918

Supplementary information is an integral part of the financial statements.

STATEMENT OF CHANGES IN NET ASSETS

For the year ended December 31, 2008

	Invested in capital assets	Externally restricted	Unrestricted	2008 Total	2007 Total
BALANCE, BEGINNING OF YEAR	\$ 1,073,797	\$ —	\$ 2,840,663	\$ 3,914,460	\$ 2,792,542
Excess (deficiency) of revenues over expenses	(500,790)	(1,594,470)	2,510,740	415,480	1,121,918
Investments in capital assets	436,406	—	(436,406)	—	—
Externally restricted (note 7)	—	1,594,470	(1,594,470)	—	—
END OF YEAR	\$ 1,009,413	\$ —	\$ 3,320,527	\$ 4,329,940	\$ 3,914,460

BALANCE SHEET

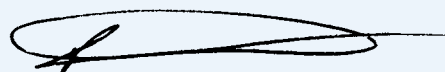
as at December 31, 2008

	2008	2007
ASSETS		
CURRENT ASSETS		
Cash	\$ 2,988,033	\$ 6,733,250
Cash in trust accounts	35,231	283,278
Investments in GIC, 3.65% to 6.40%, maturing between January 2009 and September 2010	9,655,695	4,228,095
Accounts receivable	375,345	475,720
Interests receivable	93,635	42,140
Supplies inventory	115,238	86,343
Prepaid expenses	205,882	395,837
	13,469,059	12,244,663
CAPITAL ASSETS (note 5)	1,061,465	1,173,898
	\$ 14,530,524	\$ 13,418,561
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable (note 6)	\$ 2,605,404	\$ 2,648,967
Deferred revenues	7,543,128	6,755,033
	10,148,532	9,404,000
DEFERRED LEASE INDUCEMENT , at amortized cost	52,052	100,101
	10,200,584	9,504,101
NET ASSETS		
INVESTED IN CAPITAL ASSETS	1,009,413	1,073,797
UNRESTRICTED	3,320,527	2,840,663
	4,329,940	3,914,460
	\$ 14,530,524	\$ 13,418,561

On behalf of the board:



Christiane St-Jean
Chairman of the Board



Daniel Pelchat
Treasurer

NOTES TO FINANCIAL STATEMENTS

As at December 31, 2008

1. DESCRIPTION OF THE ORGANIZATION

The Association des courtiers et agents immobiliers du Québec (ACAIQ), incorporated under the *Real Estate Brokerage Act* (Quebec), has a primary role in ensuring the protection of the public by the enforcement of rules of professional ethics and the professional inspection of its members, in particular, by ensuring that its members pursue their activities in accordance with the Act and regulations.

The Association may also dispense continuing education courses to its members and award the titles referred to in Section 76 of the Act.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies.

Revenue recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contribution to the ministère des Finances du Québec

Contributions to the ministère des Finances du Québec are estimated based on last year's payment. Any difference with the amount effectively payable will be adjusted in the year in which the Association will be billed. The engaged expenses for the application of the *Real Estate Brokerage Act* (Quebec), determined every year by the government, are attributed to the Association expenses.

Financial instruments

The Association has elected to classify its financial instruments as held for trading given that it has no firm intention to hold them until their terms. Consequently, any differences in the fair value of these assets will be recorded directly in net results.

The fair value of financial instruments is equal to the amount at which this instrument could be traded knowingly and voluntarily between the parties involved. The fair value is based on the prices (buyer prices) in an active market. If this is not the case, the fair value is based on market prices prevailing for instruments with similar risk profiles or characteristics or on internal or external valuation models that use observable market data.

For the other financial instruments, there are held for trading and classified as short term items in the balance sheet.

Supplies inventory

The supplies inventory is valued at the lowest cost and net realizable value. Cost is determined under the first in, first out basis.

Capital assets

Capital assets are recorded at cost and are amortized on the straightline method, at the following rates:

Updates	1 year
Computer equipment	3 years
Office equipment	4 years
Telephone equipment	5 years
Furniture	10 years
Leasehold improvements	Lease term

Deferred revenues

Income from annual fees is charged to the statement of income on a monthly basis over the duration of the broker certificates, which is of 12 months. In accordance with the articles 33 and 37 of the *By-law of the ACAIQ*, they are not refundable to members and they will be applicable on the results in the next yearend.

Deferred lease inducement

Deferred lease inducement represents a total of \$446,175 (\$446,175 in 2007) collected from the landlord as lease inducements. This income is amortized on a straightline basis over the duration of the lease, which expires in July 2010. The amortization is applied against occupancy expenses in the statement of income.

Capital Disclosures

As regards management of the capital, the objective is to protect the capacity of the Association to provide the protection of the public by the application of the code of ethics and the professional inspection of its members by watching, notably, that the activity of its members is pursued according to the law and to the regulations.

The Association considers as capital the amount registered as net assets on its balance sheet. On December 31st, 2008, the capital of the Association amounted to \$4,329,940.

The year 2008 was concluded by an excess of revenues over expenses of \$415,480 for a favourable difference of \$495,659 compared with budget forecasts. This difference is explained by an increase of the revenues of \$1,203,094 caused by overtakings among issuances, reinstatements. However, there was an increase of the expenses of \$652,262 related to those revenues caused in most cases by an increase of wage expenses, meeting expenses and interest charges. Finally, there was an overvaluation of the budget regarding the income of interests related to the drop of the interest rate market.

Statement of cash flows

A statement of cash flows has not been presented as it would not provide the reader with any additional useful information.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and in the notes thereto. These estimates are based on management's best knowledge of current events and actions that the Association may undertake in the future. Actual results may differ from these estimates.

3. CHANGES IN ACCOUNTING POLICIES

Capital Disclosures

On January 1st, 2008, the Association applied the new recommendations of the Canadian Institute of the Chartered Accountants (CICA) following the publication of Section 1535, Capital Disclosures. This section establishes standards relative to the presentation of information about the capital of the Association and the way it is managed. It foresees the information to be supplied on the objectives, the policies and the procedures of management of the capital of the Association, as well as the quantitative data that were used for the purposes of the calculation of the capital. It requires that the Association indicates if it has complied to the capital requirements and, otherwise, the consequences of such noncompliance. The additional information required following the application of these new standards is disclosed in note 2.

Inventories

Also, as from January 1st, 2008, the Association adopted the new recommendations of Section 3031, Inventories of the Canadian Institute of the Chartered Accountants (CICA) which prescribes the accounting treatment for inventories. These new standards provide guidance concerning the evaluation of inventories. As well, as additional guidance for the disclosure of inventories expenses. The application of these new standards had no incidence on the figures of the current year or on the comparative figures.

4. FUTURE CHANGES IN ACCOUNTING POLICIES

Financial statement presentation

In September 2008, Section 4400, Financial statement presentation by notforprofit organizations, has been amended to eliminate the requirement to treat net assets invested in capital assets as a separate component of net assets. From now, the organizations have the possibility to present such amount as a category of internally restricted net assets.

The Section also clarify that revenues and expenses must be recognized and presented on a gross basis when a notforprofit organization is acting as a principal in transactions and that Section 1540, Cash flow statements, and Section 1751, Interim financial statements are applicable to notforprofit organizations.

For the Association, the amendments apply to its fiscal year beginning on January 1st, 2009. The Association does not anticipate any significant impact to follow from the adoption of these amended standards.

Allocated expenses by notforprofit organizations

The new Section 4470 requires notforprofit organizations that make allocations of general support and fundraising costs to other functions to disclose the policies adopted for the allocation of expenses among functions, the nature of the expense being allocated, the basis on which such allocations have been made, and the functions to which they have been allocated. These new requirements are effective for the Association from its fiscal year beginning on January 1st, 2009. The Association is presently evaluating the impact of the adoption of this new standard on additional necessary disclosure.

5. CAPITAL ASSETS

	2008			2007
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	\$ 1,665,282	\$ 1,237,713	\$ 427,569	\$ 346,440
Office equipment	499,349	402,733	96,616	144,753
Telephone equipment	236,175	171,374	64,801	69,764
Furniture	681,495	430,467	251,028	186,955
Leasehold improvements	1,636,049	1,414,598	221,451	425,986
	\$ 4,718,350	\$ 3,656,885	\$ 1,061,465	\$ 1,173,898

The amortization of capital assets for the year ended December 31, 2008 amounts to \$548,838 (\$527,123 in 2007) and the lease inducement related to the leasehold improvements amounts to \$48,048 (\$48,048 in 2007). Furthermore, the Association have not sold any capital asset during the year (\$13,114 in 2007).

On the amortization of the capital assets, an amount of only \$253,317 (\$224,286 in 2007) is clearly presented in the statement of income. The remaining balance is included in several other groupings, which explain why it is impossible to distinguish it in the statement of income.

6. ACCOUNTS PAYABLE

	2008	2007
Accounts payable	\$ 258,206	\$ 391,620
Contribution to be handed to the FICI	219,662	206,750
Accrued liabilities	962,839	798,967
Salaries and deductions at source	389,596	498,167
Sales taxes	775,101	753,463
	\$ 2,605,404	\$ 2,648,967

7. FUND FOR PUBLIC INFORMATION

The Financing Fund of the Association des courtiers et agents immobiliers du Québec for public information was established by the Board of Directors of the Association in accordance with the *Real Estate Brokerage Act* (Quebec). The Fund consists of interests generated on income held in trust accounts, in conformity with the Act. The Fund must be used primarily for the production and the release of information relating to the rights of the public in the field of Real Estate brokerage and subsidiarily for professional inspection of the members of the Association and, if funds are sufficient, for discipline of those members.

Interest paid to the Fund and Fundrelated expenses, which are included in the revenues and expenses of the Association, are as follows:

I) NET EXPENSES OF INTEREST HELD IN TRUST ACCOUNTS:

	2008	2007
Interests on income held in trust accounts	\$ 215,850	\$ 386,293
Advertising	\$ 115,025	\$ 24,683
Salaries and employee benefits	52,029	113,056
Professional fees	50,753	67,021
Delivery	266	-
Printing	-	15,055
	\$ 218,073	\$ 219,815
	\$ (2,223)	\$ 166,478

II) FUND RELATED EXPENSES INCLUDED IN THE STATEMENT OF REVENUES AND EXPENSES:

Information relating to public rights	\$ 425,440	\$ 776,189
Professional inspection	232,519	226,351
Discipline	934,288	724,889
	\$ 1,592,247	\$ 1,727,429

Direct diffusion to the public : \$7,892 in 2008 (\$27,428 in 2007).

8. COMMITMENTS

As at December 31, 2008, the balance of commitments under a lease agreement for its premises, expiring in July 2010, amounts to \$1,273,649. Minimum lease payments in each of the next four years are as follows:

2009	2010	2011	2012
\$ 496,247	\$ 487,670	\$ 285,508	\$ 4,224

9. CONTRIBUTION TO THE MINISTÈRE DES FINANCES DU QUÉBEC

The balance of the contribution to the ministère des Finances du Québec is detailed as follows:

	2008	2007
Reversal of the previous year-end provision	\$ (317,900)	\$ (146,250)
Received bill during the year	-	228,350
Provision for the last twenty-one (nine in 2007) months	717,900	317,900
	\$ 400,000	\$ 400,000

10. CONTINGENCIES

During the year 2006, a complaint in defamation of characters and in damages was instituted collectively and jointly in the amount of \$3,740,844 against the Association, an other society and two persons. According to management, neither the possible outcome nor the amount of possible settlement can be foreseen. Therefore, no provision has been recorded in the financial statements. However, the Association is covered by a liability insurance for an amount up to \$1,000,000 for this complaint.

11. RELATED PARTY TRANSACTIONS

During the year, the Association, jointly with the Fonds d'assurances responsabilité professionnelle, incurred fees in the amount of \$11,740 (2007: \$18,143) which were totally rebilled. Furthermore, some fees as have been billed in 2008 for an amount of \$20,400 (\$40,583 in 2007). These transactions are measured in the normal course of business and at the exchange amount, which is the amount of consideration established and agreed by the related parties. As of December 31, 2008, there was no balance included in the accounts receivable regarding these operations (\$52,333 in 2007).

12. FINANCIAL INSTRUMENTS

Credit risk

In the normal course of business, the Association conducts ongoing assessments of the financial condition of its clients and examines the credit history of any new client.

Fair value

The fair value of cash, cash in trust accounts, investments in GIC, accounts receivable, accounts payable, salaries payable and the contribution to be handed to the FICI is comparable to their book value given their forthcoming maturities.

Interest rate risk

The Association manages its wallet of investments according to its needs of treasury and in order to optimize its income of interests.

13. COMPARATIVE FIGURES

Certain of the prior year's comparative figures have been reclassified to conform with the current year's presentation.

SUPPLEMENTARY INFORMATION

For the year ended December 31, 2008

	2008	2007
SUPPLIES AND SERVICES SCHEDULE		
Revenues		
Sales of forms, manuals and others	\$ 2,185,549	\$ 2,078,222
Direct costs		
Cost of sales	533,489	644,548
Salaries and employee benefits	122,870	96,818
Printing and translation	8,265	22,271
Other costs	4,360	4,167
Professional fees	155	800
	669,139	768,604
	\$ 1,516,410	\$ 1,309,618


SUPPLEMENTARY INFORMATION (CONT'D)

For the year ended December 31, 2008

	2008	2007
ILLEGAL PRACTICE SCHEDULE		
Revenues		
Penalties	\$ 15,535	\$ 10,522
Direct costs		
Salaries and employee benefits	148,097	161,268
Penal investigations	130,085	150,894
Legal fees	36,202	51,258
General administration	11,065	7,602
Amortizations	6,178	5,902
Occupancy expenses	5,780	7,941
	337,407	384,865
	\$ (321,872)	\$ (374,343)
DISCIPLINE SCHEDULE		
Revenues		
Penalties and disbursements received	\$ 279,360	\$ 328,140
Direct costs		
Discipline committee	273,157	201,134
Salaries and employee benefits	236,634	218,292
Bad debts (recovered)	128,639	(19,483)
Delivery	78,883	71,932
Professional fees	67,019	72,104
Occupancy	62,297	72,529
Office expenses	43,729	34,009
Public notices	34,662	59,274
Amortizations	9,268	8,853
	934,288	718,644
	\$ (654,928)	\$ (390,504)
CONTINUING EDUCATION SCHEDULE		
Revenues		
Workshop of training	\$ 184,766	\$ 141,643
Direct costs		
Salaries and employee benefits	433,534	328,320
Professional fees	245,652	158,042
Occupation fees	71,288	89,867
Travelling	57,264	33,559
Publication	47,528	67,057
Office expenses	21,193	17,515
Amortizations	12,357	8,853
	888,816	703,213
	\$ (704,050)	\$ (561,570)





6300 Auteuil Avenue, Suite 300, Brossard (Québec) J4Z 3P2 • Telephone: 450 676-4800 or 1 800 440-5110 • Fax: 450 676-7801
Info ACAIQ: 450 462-9800 or 1800 440-7170 •  www.acaiq.com • info@acaiq.com