

Update from the Professional Liability Insurance Program regarding iPro Realty Ltd.

***The following update for former iPro registrants and brokers of record is from the Professional Liability Insurance Program Manager.\* Previous updates were shared on September 5, 2025 and October 1, 2025.***

**Highlights:**

- Commitment to claimants: consumers and registrants
- Shortfall in available funds
- Status of Consumer Deposit Insurance claims
- Why have consumer deposit claims moved faster than commission claims?
- Status of Commission Protection Insurance claims
- Expected timeline
- When will commission claim payments start?
- What commissions are eligible?
- What the Insurance Program is doing now
- Contact and other information

The Insurance Program Manager (Program) is providing the following update to those affected by the inappropriate disbursement and shortfall of funds by the principals of iPro Realty Ltd. (iPro).

As previously noted, RECO issued a freeze order on iPro's brokerage trust accounts on August 25, 2025 to safeguard the remaining funds and prevent further misuse. It is important to clarify that no party — including RECO, the insurer, the bank, or any registrant — is entitled to unfreeze these accounts or to access or direct the use of funds held within them. The accounts can only be accessed once a court order confirming entitlement is received. Due to the shortfall created by iPro's principals, this matter continues as an insurance claim process.

The magnitude and complexity of the alleged fraud at iPro require exceptionally detailed diligence, tracing, and verification to properly assess all claims.

The insurer continues to receive and process new claims – with over 1,500 new commission protection claim forms received since our last update in early October. Because claims are still being reviewed and verified, the Insurance Program Manager is not yet in a position to pay out insurance funds or to seek the court approvals that would be required for the insurer to assist in the distribution of trust account funds for commission claims. All claims must first be received, reviewed, verified, and reconciled.

We urge all potential claimants to [submit their claims](#) as swiftly as possible.

### **Commitment to claimants: consumers and registrants**

We are aware of contradictory information and speculation circulating among registrants and others online about the frozen accounts and the insurance process.

Understandably, this has created confusion for affected registrants and has led to delays in processing claims, as the claims adjuster's front-line staff have received hundreds of questions based on inaccurate information and misunderstanding.

Please know that the Insurance Program Manager continues to work through this matter carefully, equitably, and with the level of rigour necessary for an extensive and complex review of this kind. All claims will require supporting documentation, verification of commission entitlement, and reconciliation of amounts owed.

The Program understands the financial and professional hardship that has resulted and continues to work with determination toward an equitable resolution.

### **Shortfall in available funds**

Incomplete or inaccurate information on the iPro accounts has been shared by former iPro employees about the frozen accounts, the amount of funds available, and the claims process.

**What we can confirm at this stage of the Program's investigation is that the commission amounts being claimed by iPro agents and cooperating brokerages appear to exceed the funds we understand may be available in those accounts. Even with the Program's \$4 million in available insurance limits, there is a shortfall.**

### **Status of Consumer Deposit Insurance claims**

In addition to being paramount to maintaining trust with consumers, the completion of transactions and the distribution of consumer deposits are also critical elements for commissions protection claims. It is only when a transaction closes that a commission would be owed to the brokerages involved on each side of an agreement of purchase and sale.

On August 29, 2025, insurance claims for consumer deposits that were or ought to have been held by iPro have been and continue to be processed and paid on a rolling basis. As of this update, all validated and properly documented consumer deposit claims have been paid.

At the same time, more than 80 consumer deposit claims were closed **without** payments following the Program Manager's investigation, to ensure appropriate and equitable treatment of claims. These closed consumer deposit claims included:

- duplicate submissions (both sides of a transaction filed a claim),
- commission protection claims that were submitted as consumer deposit claims in error, and
- claims submitted for transactions that closed prior to the freeze of iPro Realty Ltd.'s accounts and for which there was no loss.

Earlier in November, the insurer sought and was granted a court order to recover funds from the real estate trust account on behalf of consumers. The court required evidence of all payments made to date to support this step, which the Insurance Program Manager, through its rigorous processes, was able to support.

#### [Consumer Deposit Insurance Claim form](#)

#### **Why have consumer deposit claims moved faster than commission claims?**

The Real Estate Trust Account is a statutory trust, which gives consumers legal priority over other creditors when funds are distributed.

As previously mentioned, earlier in November, a court order was granted to permit the insurer to recover funds from the frozen real estate trust account on behalf of consumers. Without this assistance, it is possible many transactions would not have closed.

The Program is also able to process consumer deposit claims more quickly because of the investigation work done by RECO early in the event which provided sufficient confidence that deposits owed to consumers were not in excess of the amounts held in the Real Estate Trust Account when iPro's accounts were frozen on August 25, 2025 and the available insurance limits. This information, coupled with the statutory nature of the Real Estate Trust Account, allowed the Program to move efficiently to disburse validated consumer deposit claims.

#### **Status of Commission Protection Insurance claims**

We recognize the disruption and financial hardship this situation has caused for many real estate agents who acted appropriately. The Program, supported by RECO, continues to do everything within its authority to move the process forward as efficiently as possible.

Many agents have asked why commission claims have not yet been paid, and why consumer deposit claims have proceeded first. In addition to the reasons already provided, it is important to underscore that, first and foremost, the Program worked to prioritize the

closing of transactions to ensure minimal disruption to deals. This was extremely important because if a real estate transaction does not close, there is no commission entitlement at all. We were pleased to report that we have not been advised of any transaction that did not proceed because of the iPro event.

Before the Program can establish its approach to payment of commission claims, we must first understand the balance of funds in iPro's trust accounts against the total amounts being claimed. There remains uncertainty due to the scale and complexity of the alleged fraud at iPro, which is requiring detailed diligence, tracing, and verification to properly assess all claims. Compounding the uncertainty were gaps in brokerage records, deals that were incorrectly re-assigned or re-written, commission offsets by co-operating brokerages, and builders requiring invoices before paying out. All of this requires the Program to undertake careful review to ensure every agent receives the amount they are entitled from the insurance policy.

The shortfall in the trust accounts needs to be reviewed against several possible sources of funds:

- Amounts from deposits used to pay commissions (which only crystallize if transactions close)
- Amounts owed by co-operating brokerages
- Amounts owed by builders
- Any other possible recoveries

As previously shared with registrants:

- **No commission protection claims have been paid to date.**
- Claims are **not** being processed on a first-come, first-served basis — all claimants must be treated equitably.
- Not all submitted claims are eligible, and some claims have already been closed without payment.
- The insurer continues to receive new claims, which must be assessed alongside those already submitted.
- Each claim requires supporting documentation, verification of commission entitlement, and reconciliation of amounts owed.

[Commission Protection Insurance Claim form](#)

## **Expected timeline**

The review process must balance the large number of claims with the available insurance limits while ensuring consistency, fairness, and accuracy. While commission-related claims have historically taken up to 18 months for insurance payments to be issued in comparable matters, the Insurance Program Manager, working closely with RECO, has set a goal to complete the process within six to nine months.

Based on the current progress, work to reconcile and verify commission protection claims is expected to continue for several weeks, including throughout the holiday period. A more detailed update – including the plan for the distribution of the insurance funds – will therefore be issued to all affected parties no later than February 1, 2026.

## **When will commission claim payments start?**

The Program is moving as quickly as possible to assess all claims and pay out its limits once verification and reconciliation are concluded. This will take place after the completion of that assessment work, which is expected to continue for several weeks.

**Once the Program completes this assessment work, the \$4 million of insurance coverage for commission protection claims will be disbursed to eligible claimants. Due to the size of this event, it will be done on a pro-rated basis. We expect this to take place in the first quarter of 2026.**

Once the insurance limits have been disbursed, we will work to secure as much of the frozen assets as possible to pay further amounts.

## **What commissions are eligible?**

Unlike the consumer deposit insurance coverage, the commission protection insurance coverage does not cover commissions that ought to have been paid more than 24 months before May 19, 2025 and only covers claims that are reported up to 24 months following, irrespective of when the commission is due in the future.

## **What the Insurance Program is doing now**

In the absence of a reliable method for accounting for commissions, the Program has been processing claim report forms to evaluate what is owed. The claims adjusters have made significant progress on opening claims and commencing its investigation. We have surpassed approximately 2,350 reports of commission protection claims, all of which need to be reviewed, recorded, and investigated by professional adjusters to ensure accuracy. The Program has hired on additional staff to expedite the process.

In the meantime, RECO has been assisting with the collection of commissions and has been depositing those funds into iPro's Real Estate Trust Account to safeguard them. For clarity, these funds are not accessible by RECO or the Program, and the commissions funds being deposited into that account are not being used to pay consumer deposits. No party, including the Program, RECO, the bank, or any registrant, is entitled to unfreeze these accounts or access funds within them absent a court order confirming entitlement.

**Note:** A more detailed update – including the plan for the distribution of the insurance funds – will be issued to all affected parties no later than February 1, 2026.

### **Contact and other information**

For frequently asked questions, please refer to the [Insurance Program Manager's website](#).

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\* Alternative Risk Services is a division of 3303128 Canada Inc.