

Annual Report

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Mrs. Louise Harel
 President of the National Assembly
 Québec Government
 Québec

Mrs. 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, 2001.

Respectfully yours,

Pauline Marois
 Vice-Prime Minister
 Minister of State - Economy and Finance



Mrs. Pauline Marois
 Vice-Prime Minister
 Minister of State - Economy and Finance
 Québec Government
 Québec

Madam:

Please allow me to submit the Annual Report of the Association des courtiers et agents immobiliers du Québec for the fiscal year ended December 31, 2001.

Yours truly,

Jean-Guy Turcotte
 Inspector General



Mr. Jean-Guy Turcotte
 Inspector General of Financial Institutions
 Québec Government
 Québec

Sir:

It is with pleasure that we submit the Annual Report of the Association des courtiers et agents immobiliers du Québec for the fiscal year ended December 31, 2001.

Sincerely yours,

Serge Brousseau
 Chartered real estate agent
 Chairman of the Board

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Members of the Board of Directors

AT YEAR-END 2001

Elected Chairman

Serge Brousseau

Elected Directors

Robert Aubin	Western Québec
Raymond Desbiens	Eastern Québec
David Farber	Montréal
Pierre Lafond	Montréal
Johanne Moreau-Roy	Montréal
Pierre Paradis	Québec
Daniel Pelchat	Central Québec
Paul Robert (Treasurer)	Montréal

Directors appointed by the government

Jean Mathieu (Vice-Chairman)
 Madeleine Plamondon

Chief Executive Officer of the ACAIQ (not entitled to vote)

Robert Nadeau

Secretary of the ACAIQ (not entitled to vote)

Claude Barsalou



Chairman's Report



Serge Brousseau,

Chartered Real Estate Agent

I am pleased and honored to present the Annual Report of the Association des courtiers et agents immobiliers du Québec for the year 2001. As usual, the report provides an overview of the current activities of the Association, the Office of the Syndic, the Discipline Committee, the Professional Inspection Committee and the Treasurer, as well as an Auditors' Report. For my part, I will share with you some personal thoughts on our profession and how the ACAIIQ is perceived by its members.

First, I would like to talk about professional competence, because this is usually the factor that prompts a client to choose one agent over another. Competence is mainly a matter of training. The quality of training impacts the quality of services, which in turn impact our client base. These are all interconnected. It is important, therefore, to continue improving our knowledge and making our services even more tangible. Otherwise, new technologies and, to a certain extent, the mirages they create – such as sell your house in three clicks of the mouse – could play against us.

This leads me to the topic of adapting to technological and economic change. I too was reluctant to get on the Internet and enter that whole universe, which seemed very complicated. But you have to be realistic: those who haven't yet jumped on the Net are lagging behind. They can't work as quickly as connected agents and are therefore less effective. They are depriving themselves of an incredible source of information as well as robbing their clients of considerable visibility. And of course, more and more buyers are looking for and finding their dream house on the Internet.

Adapting to technology and the economic climate in general are key to succeeding in our business. Everything goes so fast today, you have to be on your toes and be able to act promptly. Homes are selling quickly and, more than ever, the agent's efficiency and attitude make all the difference when it comes to consumer satisfaction.

My third point deals with cooperation between agents. I have witnessed the public's surprise when they realize how fierce the competition can be between agents. This image is not a very engaging one, to say the least, and can only harm our profession. Of course, our rules of professional ethics provide a barrier against excess, but they cannot replace transparency and a positive attitude. These essential qualities are expected by the public and need to be developed.

It would also be a good thing for the ACAIQ to be perceived more constructively by its members. The Association isn't a strictly repressive body, it has an important role as regards prevention. Info ACAIQ as well as our continuing education, professional inspection and communications departments, among others, have objectives that deal with the improvement of the quality of professional acts, all in an effort to reduce instances of professional misconduct.

Prevention and the quality of professional acts is everyone's business, be they brokers, agents or establishments managers. Whether we are dealing with real estate transactions, brokerage operations or firm management, the quality of the work we do is directly tied to good communication between people, validation of procedures based on the situation, proper document completion, etc. But above all, we need enriched training that caters to the needs of each player, that speaks to them personally. This is also indispensable to ensure succession in our profession. There are large voids in this area and it is becoming urgent for us to act on the training recommendations drafted two years ago already by the Association.

We're not merely paying lip service to these issues. Some will be addressed in the revisions to the *Real Estate Brokerage Act*, which is expected in 2002. Others will be integrated in our strategic plan goals for the next three years.

Already in 2001, the ACAIQ more than doubled the number of continuing education workshops, and a number of new offerings are being added based on the needs expressed. In addition, because we appreciate the time constraints on our members, we even give courses directly on broker premises. When the first thing that comes to the public's mind about our profession is that it is carried out by well-trained, dedicated individuals, consumers will feel more secure and that's when we will see our market share increase.

In ending, I would like to thank each and every one of my colleagues: the members of the Board and our various committees as well as ACAIQ staff. Together, we are bringing the Association closer to the public and to its members, which can only have a positive effect on our profession!



Serge Brousseau
Chairman of the Board

Committees – 2001	Meetings
Board of Directors	12
Management Committee	16
Working Group on Building Inspection	4
Human Resources Committee*	1
Brokerage Contract – Purchase Committee	2
Real Estate Brokerage Award Committee	1
2002-2004 Strategic Plan Committee	2
Professional Inspection Committee	4
Education Committee	2
Finance Committee	5
CEO's Evaluation Committee	4
Syndic's Evaluation Committee	6

* THIS COMMITTEE WAS DISSOLVED DURING THE YEAR



Report of the Chief Executive Officer



Robert Nadeau,
Lawyer

I am pleased to report on the principal current activities of the *Association des courtiers et agents immobiliers du Québec* in 2001.

Essentially, the year has been marked by increased traffic at our various services, no doubt due to the exceptional vitality of the housing market, but also because of the increased awareness of our organization. This has also helped to highlight ACAIQ's productivity, which compares very favourably to that of similar organizations.

At the beginning of the fiscal year, ACAIQ had 10,376 members; 10,560 renewals had taken place as of last December 31. Against all expectations, there was an increase in the number of our members, throughout the year. Moreover, 1,332 candidates wrote the professional entrance examination, a slight drop compared to the previous fiscal year, when 1,379 applied (Chart I and II).

Following are the highlights of our activities:

CONTINUING EDUCATION

One hundred and fifty continuing education activities were held as compared to 74 last year, for a total of 5,714 registrations; several of these activities took place in the ACAIQ's training room in Brossard, while others took place in various regions of Québec with the collaboration of real estate boards, and in real estate brokers' establishments. I can report that the participants' satisfaction rate was very high.



Among the 150 continuing education activities held in 2001, two were specifically aimed at ACAIQ Discipline Committee members. These sessions were given last September by Me Jacques Paquet (center), former chairman of the discipline committees of the Collège des médecins and the Chambre des notaires, and recently appointed Quebec Court judge.

INFO ACAIQ

The requests for information from the *Info ACAIQ* service grew by 29 % compared to the previous year, reaching a record number in 2001 of 18,522. Most of these concerned the professional practices of real estate brokerage dealing with the presentation of simultaneous promises to purchase as well as the use of mandatory forms.

CHART I

MANDATORY EXAMINATIONS - 2001					
	Candidates	Successes	Failures	% success	Average grade
Affiliated agents	1,332	1,146	186	86.0%	84.3%
Chartered brokers and agents	111	73	38	77.7%	74.8%

For the first time, the *Info ACAIQ* service also took on the task of handling front-line requests for information about the renewal of certificates and questions about advertising. We should also mention the application of a new policy for dealing with requests for information, which stipulates that any reply should be supported by sending out documents produced by the ACAIQ on the subject in question, when possible.

REQUESTS FOR INVESTIGATION

At the Office of the syndic, requests for investigation reached a historic high of 1,044, compared to 759 in 2000. Nevertheless, the number of investigations completed during the year also jumped, from 776 as of December 31, 2000, to 932 a year later.

The management of the Office of the syndic was the object of a thorough overhaul as a result of an effectiveness evaluation exercise carried out by an outside firm. The changes are intended to reduce delays in processing requests for investigation, but the goal is still difficult to achieve because of the continually increasing volume of requests for investigation. The situation has nonetheless improved due to the hiring of two assistant syndics, two attorneys and a co-ordinator. More details can be found in the syndic report, on page 25.

ILLEGAL PRACTICE (CHART III)

In terms of illegal practice of real estate brokerage, 240 new files were opened in 2001, which were added to the 90 already under study at the start of the mandate. This is an increase of 46% compared to last year. A total of 240 files were also closed during the year.

PROFESSIONAL INSPECTION

Some changes to the professional inspection department should be mentioned including the verification of real estate brokerage advertisements, a task that had formerly been the responsibility of the Office of the syndic. Monitoring of Web sites had already been ensured by the inspection service, through its Internet watch.

The professional inspection department was also very active in the continuing education area. Finally, the frequency of inspection visits, while slightly reduced compared to previous years, is still higher than we can observe in other similar organizations. More details are available in the professional inspection committee report, on page 30.

CHART II

BREAKDOWN OF ACAIQ MEMBERSHIP

By certificate category	JANUARY 1 ST	JANUARY 1 ST	JANUARY 1 ST
	2002	2001	2000
Chartered agent	2,042	2,029	2,028
Affiliated agent	6,932	6,787	6,671
Chartered broker	1,509	1,481	1,468
Affiliated broker	77	79	82
Restricted broker and agent	0	0	0
Total	10,560	10,376	10,249
Breakdown by sex and average age			
Men (average age: 49,9 years)	5,671	5,578	5,540
Women (average age: 49,1 years)	3,855	3,809	3,723
Total	9,526	9,387	9,263
By region			
	Brokers	Agents	Total
<i>Montréal region</i>			
Montréal (06)	538	3,304	3,842
Laval (13)	88	864	952
Montérégie (16)	289	1,734	2,023
Sub-total	915	5,902	6,817
<i>Québec region</i>			
Québec (03)	181	850	1,031
Chaudière-Appalaches (12)	35	90	125
Sub-total	216	940	1,156
<i>Eastern region</i>			
Lower St. Lawrence (01)	18	86	104
Saguenay – Lac Saint-Jean (02)	21	135	156
North Shore (09)	7	37	44
Northern Québec (10)	1	2	3
Gaspésie – Îles-de-la-Madeleine (11)	5	5	10
Sub-total	52	265	317
<i>Central region</i>			
Mauricie – Bois-Francs (04)	49	275	324
Eastern Townships (05)	68	252	320
Lanaudière (14)	58	379	437
Sub-total	175	906	1,081
<i>Western region</i>			
Outaouais (07)	49	305	354
Abitibi-Témiscamingue (08)	10	51	61
Laurentians (15)	92	694	786
Sub-total	151	1,050	1,201
Total	1,509	9,063	10,572
By banner (100 agents and more)			
	Brokers	Agents employed	Total members
Independents	1,121	2,815	3,936
Century 21	21	442	463
Groupe Sutton	36	1,553	1,589
La Capitale	51	715	766
Re/Max	178	2,143	2,321
Royal LePage	52	1,046	1,098
Trans-Action	50	337	387
Total	1,509	9,051	10,560

CHART III

Summary of illegal practice files for the year 2001		
Files carried over from previous years:		90
Files opened between January 1 and December 31, 2001:		240
Total of files opened and processed:		330
Files closed in 2001		
Reasons for closure		
Penal files	Guilty plea	9
	Conviction	5
	Acquittal	0
	Appeal	0
	Issuance of certificate	1
	Member involved (advertising)	21
	Cessation / Affidavit	4
	Owners	12
	Insufficient evidence	186
	Other	0
Prescription	2	
Total - files closed:	240	(240)
Files active and under investigation as at December 31, 2001:		90
Files referred to the Court of Quebec in 2001 and not yet resolved		
Salvatore Secondino		6
La Gazette Officielle des Affaires		8
Anne Séguin and Gestion immobilière Sud Ouest inc.		1
Anne Séguin and Go Papyrus inc.		1
Total:		16
Files in process as at December 31, 2001		
New files		26
Files under internal investigation		0
Files under investigation		48
Files – pro forma hearing – trial		16
Files in suspension		0
Total active files under investigation:		90



ACAIQ.COM

We have undertaken the fusion of our *acaiq.com* site and our electronic magazine, *ACAIQ Webzine*, to create one large, modernized, automated and dynamic site, which will be easier to navigate and will make it easy to carry out research and disseminate information using a minimum of resources. This site will also accommodate new functions aimed at promoting rapid and direct exchanges with Web users as well as e-commerce. As a matter of fact, with the adoption last June of a new law intended to cover certain uses of information technology by enterprises, we must prepare ourselves for new ways of doing business (renewing certificates to practice by the Internet, etc.).

As with any Web site, the traffic depends on several factors, which is why we have undertaken the promotion and the convergence of our communication efforts towards the address acaiq.com, as well as the renewal of our site contents. This is why we generally put our Web address on all our communications and, in addition, we have produced and distributed to all real estate brokerage establishments a large poster inviting people to consult our site.

The growth of the traffic on our Web site over the first two years continued at the same rate in 2001. The *acaiq.com* site reached 20,500 visitors a month; there were 11,000 in December 2000 and 5,000 in December 1999. If we add in the visits to the related Web sites *webzine.acaiq.com*, *valetimmobilier.com* and *indemnisation.org*, there are about 26,000 visitors a month.

ACAIQ EDUCATION 2001

Another notable event marking the year was held in Laval: *ACAIQ Education 2001*, which took place as part of the traditional annual general meeting. Presented for the third consecutive year, the event brought together some 500 people under the theme "For a fully responsible professional". Invited to be exhibitors for the first time, franchisers responded to the invitation enthusiastically. This annual get-together is the only sectoral gathering of real estate brokerage in Québec.

ADVERTISING CAMPAIGN

The ACAIQ launched a new advertising campaign, which will run until June 2002, in a dozen targeted magazines. It consists of a series of four colour advertisements that illustrate the importance and the range of the role of real estate brokers and agents. In all, these advertisements will appear in 6,000,000 issues. We know that as every issue of a magazine is read by more than one person, sometimes as many as seven, the message will not go unnoticed. Finally, we should note that the four advertisements are also reproduced in the form of posters to be distributed to all real estate brokerage establishments in Québec.



YOUR COMMENTS...

Since last year, we have established a mechanism for evaluating client satisfaction by which we invite people who use our services to give us their critiques. This can be done through our Web site or by completing a reply card. This is a simple, economical and effective method that allowed us to gather over 500 comments in 2001. We are concerned about the quality of our communications at all levels of our activities and this measure allows us to react promptly.



A SMALLER DEFICIT THAN EXPECTED

As we had expected and announced at last April's General Meeting, fiscal year 2001 ended with a deficit of some \$330,000. This deficit is primarily attributable to three factors: the addition of new human resources to reduce waiting times at the Office of the syndic, *Info ACAIQ* and the professional inspection department, developing new continuing education activities and the launching of an advertising campaign aimed at reminding consumers of the roles of real estate brokers and agents.

It is, in fact, in anticipation of these additional and recurring expenditures that an increase of \$100 in the certificate fees had been sought and approved at the last general meeting. As this increase was not going to take effect until January 2002, it was understood that the 2001 deficit would be covered by dipping in the ACAIQ's accumulated surpluses.

Actually, our deficit is less than had been expected in our initial budget forecasts, despite a significant shortfall in interest income. Considerable efforts were made to reduce expenses, while consolidating our services to the public and to members.

We are concerned about continuing to be effective while keeping the leanest operating structure possible. We are aware of the burden of expenses on our members and we are trying to find original ways to finance our activities by, for example, opening the pages of *ACAIQ Magazine* to advertisements.

THE POLITICAL COMPONENT

In 2001, the political component of our activities was marked by numerous exchanges with government authorities, notably, about the review of the *Real Estate Brokerage Act*. We had the opportunity to explain our requests

and are now waiting for the Québec Finance Minister, Mrs. Pauline Marois, to table her Five-Year Report on the Act, possibly during the first half of 2002. We will then have a good idea of the changes to come.

We should also mention the tabling during the year of the Martineau Report that proposed, as far as we are concerned, a change in membership for those real estate brokers and agents restricted to loans secured by immovable hypothec. Since then, the issue has barely evolved.

A REMARKABLE YEAR

Overall, 2001 was a remarkable year for real estate brokerage. The vitality of the market never let up and the ACAIQ services had to cope with unprecedented activity. I am thinking in particular of the success of our continuing education activities.

Finally, let me thank the personnel of the ACAIQ, that is, the Department Managers and each of the members of their respective teams. They all fulfilled their duties with great professionalism, in a sometimes difficult context. I would also like to convey my gratitude to the Board of Directors for the confidence they placed in me throughout the whole year. Thank you!

Robert Nadeau
Chief Executive Officer

CERTIFICATE MANAGEMENT

	2001		2000	
	Brokers	Agents	Brokers	Agents
Issuances	167	1,908	67	1,762
Reclassifications				
chartered broker → chartered agent	(31)	31	(29)	29
chartered agent → chartered broker	15	(15)	23	(23)
Reinstatements	2	1,501	2	1,481
Total	153	3,425	63	3,249
Suspensions	42	2,394	60	2,421
Expirations	118	1,652	137	1,629
Cancellations	1	3	7	16
Abandonments	0	12	8	7
Total	161	4,061	212	4,073
Other transactions				
Reclassifications				
affiliated agent → chartered agent	0	85	0	42
Renewals	1,483	8,916	1,469	8,781
Total	1,483	9,001	1,469	8,823



Syndic's Report



François Pigeon
Syndic

The role of the Syndic of the Association des courtiers et agents immobiliers du Québec is to investigate alleged misconduct by real estate brokerage professionals in the course of their duties and to file complaints with the Discipline Committee where warranted. The Syndic may also initiate an investigation on his own initiative or upon recommendation by the ACAIQ Professional Inspection Committee.

HIGHLIGHTS

In 2001, the Office of the Syndic registered a record increase in requests for investigation. This is explained in part by the exceptional volume of real estate transactions in Québec. In addition, the real estate market being largely dominated by sellers contributed to a number of problems in the way promises to purchase were presented and caused swelling numbers of this type of case.

This is not to say that the professional quality of real estate brokerage services has deteriorated. Certain professions have a higher risk factor than others, and real estate brokerage is one of them. The emotional nature of a real estate transaction and the fact that it involves an expensive and usually exclusive piece of property creates a climate where conflict can easily arise. Also important to take into account is the reform of the profession, which has changed many of the ways in which things are done.

One other aspect that is specific to our profession is in itself a frequent source of requests for investigation, i.e. compensation sharing between brokers. This unique situation leads members to file requests for investigation against other members, which is very rare in other professions. Apart from that, the number of requests for investigation submitted to us is proportionate to what can be observed in professional orders, including those whose members also work directly with the public.

In addition, the popularity of our *Info ACAIQ* service also explains the increase in business for the Office of the Syndic. Admittedly, we are somewhat the victims of our own notoriety.

Conversely, in September the Office of the Syndic stopped processing verification requests regarding advertising by ACAIQ members in order to devote itself entirely to the requests for investigation. This aspect is now handled by the Professional Inspection Department.

STATISTICS

A record 1,044 requests for investigation were received by the Office of the Syndic between January 1 and December 31, 2001, compared to 759 for the previous year, an astounding 38% increase.

A total of 932 requests for investigation were settled in 2001 compared to 776 in 2000; 123 out of 932 requests led to formal complaints and 102 complaints had been brought before the Discipline Committee at the close of the year; 189 cases were also closed following a commitment by the members involved to take a course or compensate the victim; 376 requests for investigation were rejected for lack of grounds and 37 more dealt with civil rather disciplinary matters.

As of December 31, 2001, the number of current or pending investigations totaled 381, from 269 at the end of 2000. There were 26 appeals before the Discipline Committee at the end of the year, compared to 14 in 2000.

INCREASED USE OF ALTERNATE METHODS

Considering that the number of requests for investigation may level out with the expected lull in the real estate market and based on the fact that even if the Association again boosted the Office of the Syndic staff, the Discipline

Committee could not keep up with the load, we have to explore new solutions. In 2002, we will attempt to clear the backlog of requests, namely by restricting our formal complaints to the more serious offences. We will try to manage minor professional misconduct using alternate methods that will enable us to settle the dispute, with or without penalty, to the satisfaction of the parties without necessarily having to go through the Discipline Committee.

AN OUTSTANDING TEAM!

In ending, I would like to salute the Office of the Syndic staff with whom I have the pleasure of working. They are an outstanding team of dedicated professionals! I would also like to thank my colleagues on the Management Committee and the Board of Directors for their contribution to the improvement of our services. Thank you!



François Pigeon
Syndic

January 1st to December 31, 2001

New requests for investigation

	FILES OPENED DURING THE MONTH		INVESTIGATIONS COMPLETED DURING THE MONTH		UNDER INVESTIGATION/ PENDING	
	2001	2000	2001	2000	2001	2000
January	60	60	50	56	279	290
February	52	61	59	65	272	286
March	73	72	62	81	283	277
April	79	55	49	65	313	267
May	74	91	60	86	327	272
June	112	58	85	78	354	252
July	93	53	65	65	382	240
August	87	55	73	64	396	231
September	93	47	88	50	401	228
October	110	54	111	47	400	235
November	123	91	116	73	407	253
December	88	62	114	46	381	269
Total	1,044	759	932	776		

January 1st to December 31, 2001

Complaints filed

	2001	2000
Number of complaints filed	102	77

January 1st to December 31, 2001

Pending appeals

	2001	2000
Number of appeals pending	26	14



Report from the Discipline Committee



M^e André Desgagné, Q.C.

Chairman of the Discipline Committee

Established under section 128 of the *Real Estate Brokerage Act*, the Discipline Committee is a totally autonomous tribunal that acts independently of the Board of Directors and staff of the *Association des courtiers et agents immobiliers du Québec*. It reviews all complaints made against members of the ACAIIQ for infringements of the Act and regulations.

Each complaint is judged by three members of the Committee, who are the chairman or substitute chairman and two members of the profession. The chairman and substitute chairman are two lawyers appointed by the Government of Québec, and the members of the profession are part of the group of 57 real estate brokers or agents appointed to the Discipline Committee by the ACAIIQ Board of Directors.

The Discipline Committee primarily follows the stipulations of the *Professional Code* for its procedures. Some of its decisions may be appealed, in accordance with the conditions and procedures set out in the *Real Estate Brokerage Act* and the *Professional Code*.

COMPLAINTS, HEARINGS AND DECISIONS

(TABLES I TO III)

Between January 1 and December 31, 2001, 102 complaints were filed with the Discipline Committee, one of which was subsequently withdrawn. All of the complaints were brought by the Office of the Syndic of the ACAIIQ. The 101 complaints included 195 counts.

The Committee holds separate hearings for ruling on the guilt of the defendant and for imposing penalties on the defendant, as appropriate. The Committee therefore held a total of 38 hearings on guilt and 81 hearings on penalties.

A total of 53 postponements were granted, including 51 prior to the hearing and two after the parties had been heard by the Committee.

By the end of the year, the Committee has rendered 81 decisions on guilt and 80 decisions on penalties. Five decisions on guilt and 16 decisions on penalties were still under deliberation at the end of the year.

The Committee rendered guilty decisions on 149 counts, 106 of which had been responded to with pleas of guilty, and ruled not guilty on five counts. In one case, a count was withdrawn by the Syndic in its quality as plaintiff.

Penalties (TABLE IV)

The penalties that the Discipline Committee may impose range from a simple reprimand to temporary or permanent suspension of the right to engage in professional activities, or fines of \$600 to \$6,000 per count.

The Committee issued 17 reprimands (or severe reprimands) and imposed 122 fines. In four cases, it also recommended that the Association's Board of Directors require the member to take courses and pass the related exams. The fines totaled \$135,000 and costs to be reimbursed by the defendants totaled \$62,714.58.

TABLE I

NUMBER OF CASES	2001	2000
Current as at January 1	41	23
Filed during the period	102	78
	143	101
<i>Less</i>		
Decisions rendered on penalties	80	56
Rejected complaints/acquittals	1	3
Withdrawals/termination of proceedings	2	1
Current files as at December 31	60	41

TABLE II

HEARINGS – POSTPONEMENTS – DECISIONS	2001	2000
Hearings held		
On guilt	38	40
On penalties	81	71
Postponements granted		
Before the hearing	51	49
After representations to the Committee	2	2
Decisions		
Under deliberation on guilt	5	7
Under deliberation on penalties	16	13
Rendered on guilt	81	60
Rendered on penalties	80	56

TABLE III

COMMITTEE DECISIONS BY COUNT	2001	2000
Decisions on guilt		
Guilty decisions	149	255
Non-guilty decisions	5	7
Withdrawal of counts	1	5
Decisions on penalties		
Reprimands	17	118
Fines	122	134
Mandatory courses	4	6
Restrictions on right to practice	0	1
Suspensions/cancellations	0	4

TABLE IV

FINES, COSTS AND PUBLICATIONS	2001	2000
Penalties		
Total fines	\$135,000.00	\$127,400.00
Total costs to be reimbursed	\$62,714.58	\$51,804.38
Publications in ACAIQ Magazine		
Fines/reprimands	84	58

TABLE V

COUNTS AND PENALTIES

▼ Violations to the Real Estate Brokerage Act		
SECTION	NUMBER OF COUNTS	PENALTIES
22	1	\$800
30	1	\$600
▼ Violations to the Real Estate Brokerage Act and the By-Law of the ACAIQ		
SECTION	NUMBER OF COUNTS	PENALTIES
21 of REBA and 81 of By-law	1	\$600
▼ Violations to the Rules of Professional Ethics of the ACAIQ		
SECTION	NUMBER OF COUNTS	PENALTIES
1	5	Reprimand to \$1,000
9	1	\$800
11	19	Reprimand to \$1,000
13	41	Reprimand to \$5,000
14	5	\$600 to \$800
17	1	\$800
22	4	Reprimand to \$1,000
24	12	\$600 to \$1,200
26	4	\$600 to \$2,000
28	2	\$600 to \$800
29	3	Reprimand to \$1,000
38	1	Reprimand
39	1	\$600
41	3	\$800 to \$1,200
42	1	\$600
43	12	Reprimand to \$1,000
46	1	\$1,500
55	2	\$2,000 to \$5,000
▼ Violations to the By-Law of the ACAIQ		
SECTION	NUMBER OF COUNTS	PENALTIES
71	1	\$5,000
72	3	\$1,500 with the obligation to take a course to \$2,500
75	3	Reprimand to \$800
100	1	\$600
102	4	Reprimand to \$1,000
103	2	\$600 to \$1,200
147	1	\$1,200
▼ Violations to the Regulation respecting the application of the Real Estate Brokerage Act		
SECTION	NUMBER OF COUNTS	PENALTIES
26	1	\$1,500

MAKE-UP OF THE COMMITTEE

The members of the Discipline Committee are appointed for a three-year mandate. The chairman and substitute chairman are appointed by the government, among lawyers with at least ten years of practical experience. The others, all members of the ACAIQ, are appointed by the Board of Directors. The Committee secretary is also appointed by the Board of Directors.

Chairman

M^e André Desgagné

Substitute chairman

M^e Gilles Duchesne

Members

Albert-Mongrain, Darlene	Guilbault, Lyne
Allard, Denis	Hardacker, Loïs
Ariëns, Imelda	Houde, Yves-Denis
Belley, Louise	Jacques, Sylvie
Brosseau, Serge	Jones, Stewart
Brunet, Luc	Kimpton, Pierre
Bureau, Denis	LaPalme, Léo
Cayer, Louis	Langelier Sanche, Michèle
Charron, Claude	Lapointe, Guy F.
Cholette, Ginette	Laurin, Jean
Corbeil, Jean-Marc	Lavoie, Hélène
D'Aoust, Robert	LeBel, Réjean
Depelteau, Clément	Lecompte, Éloi
Dufresne, Yvan	Léger, Éric
Duguay, Louise	Léonard, Michel
Dupras, Marie-Andrée	Leroux, Robert
Fecteau, Luce	Liboiron, Michel
Fiasché, Nicola	Mailloux, Luc
Forlini, Nancy	Ouellet, Damien
Gadoua, Pierre	Patry, Pierre
Gagnon, Micheline	Payeur, Richard
Gagnon, Normand	Pépin, Lucie
Gaspard, Jean-Pierre	Racine, Normand
Gauthier, Lise M.	Rudolf, Yvon
Gélinas, Bernard	Shelso, Robert
Gendreau, Denise	Théorêt, André
Giroux Laveau, Lana	Trudeau, Jerry R.
Goulet, Christian	White, Kenneth
Guérard, Jean-Guy	

Secretary

Marie-Josée Forget

The amount of the fines is not calculated in terms of the costs of maintaining the disciplinary system, but based on the experiences of professional orders and associations comparable to the ACAIQ, and also based on the jurisprudence. The Committee bases a penalty both on the type and seriousness of the offence committed, and on the magnitude of the damage caused or gains realized by the offender. The Committee also takes into account the deterrent effect of the penalty.

In total, one notice of cancellation of a certificate and 84 decisions of the Discipline Committee were published in *ACAIQ Magazine* and on the ACAIQ's Web site (*Webzine*) in the course of the year.

TYPES OF VIOLATIONS

(TABLE V)

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*.

It should be noted that a charge may be brought under more than one section of the Act and regulations.

PENALTIES FOR VIOLATION OF THE RULES OF PROFESSIONAL ETHICS OF THE ACAIQ

A total of 117 penalties were imposed in relation to accusation counts regarding violations to the *Rules of Professional Ethics of the ACAIQ*, including:

- 5 penalties for violation of section 1: "A member of the Association des courtiers et agents immobiliers du Québec shall practice his profession with prudence, diligence and competence, and he shall demonstrate integrity, courtesy and a spirit of cooperation. He shall not commit acts that are derogatory to the honour and dignity of the profession."
- 19 penalties for violation of section 11: "A member shall verify, in accordance with generally accepted practice, the informa-

tion that he provides to the public or to another member. He shall be in a position to prove the accuracy of that information at all times."

- 41 penalties for violation of section 13: "A member shall not participate in any act or practice in real estate matters which may be illegal or which may cause prejudice to the public or to the profession."
- 5 penalties for violation of section 14: "A member shall comply with the provisions of the Act and the regulations thereunder."
- 12 penalties for violation of section 24: "A member shall protect and promote the interests of his client while providing fair treatment to all parties to a transaction."
- 12 penalties for violation of section 43 were also imposed. This section requires the members not to abuse another member's good faith nor to use unfair practices against him.

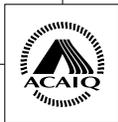
PENALTIES FOR VIOLATION OF THE BY-LAW OF THE ACAIQ

A total of 15 penalties were imposed in relation to accusation counts regarding violations to the *By-Law of the ACAIQ*, including:

- 3 penalties for violation of section 72, relating to the affiliated broker and the agent's obligation to receive their compensation (which cannot be shared) from a chartered broker only.
- 3 penalties for violation of section 75, relating to the chartered broker's obligation to notify the client in writing: of any change in the identity of the holder of a chartered or affiliated real estate agent's certificate who is responsible for representing him or; of any change in the address of the place of business to which the holder of an affiliated real estate broker or of a chartered or affiliated real estate agent's certificate who is responsible for representing him.
- 4 penalties for violation of section 102: "A member may advertise, solicit clients or make representations relating to a brokerage transaction referred to in section 1 of the Act only if he has been expressly authorized to do so by the person or partnership that awarded him a brokerage contract."

M^e André Desgagné, Q.C.

Chairman of the Discipline Committee



Report of the Professional Inspection Committee



Raymond Desbiens

Committee Chairman

Professional inspection is at the heart of the activities of the *Association des courtiers et agents immobiliers du Québec*, as demonstrated in the organization's mission statement, under section 66 of the *Real Estate Brokerage Act*:

"The primary role of the Association is to ensure the protection of the public by the enforcement of rules of professional ethics and the professional inspection of its members, and in particular by seeing to it that its members pursue their activities in accordance with the Act and the regulations."

The Professional Inspection Committee's mission is outlined in section 108:

"The function of the committee is to supervise the carrying on of the professional activities of the members of the Association, with the exception of professional competence, in particular by auditing their records, accounts, books and registers."

The Professional Inspection Committee's mandate allows it to extend its actions to every application of the *Real Estate Brokerage Act* and its regulations, as well as to all members of the Association. The Committee is also required to make recommendations to the ACAIIQ Board of Directors to correct any deficiency observed during its inspections.

MAKE-UP OF THE COMMITTEE

The ACAIIQ Board of Directors appoints the members of the Professional Inspection Committee. In 2001, they were:

- Mr. Raymond Desbiens, Chairman
- Mr. Toufik Noubani
- Mr. Jean Laurin
- Mr. Pierre Martel
- Mrs. Christiane Saint-Jean
- Mr. Jocelyn Gagné, Secretary

In 2001, the Professional Inspection Committee had four very productive meetings. The methods of communication between the Committee, the Board of Directors and the Professional Inspection Department being firmly established, Committee members were able to focus on the role they play in pursuing the ACAIIQ's objectives.

After validating inspection protocols, the Committee examined several aspects of real estate brokerage, including :

- conflicts of interest that can arise when customers are directed to mortgage lenders by their real estate agent;
- real estate fraud;
- management of trust accounts; and
- book and record-keeping by brokers.

The Committee was also presented with several cases requiring special attention following an inspection.

INSPECTIONS

The Professional Inspection Committee determines the directions and priorities that will be followed regarding the inspection of the members' activities. It should be noted that Committee members who practice the profession of real estate broker or agent do not take part in the inspection of the records and registers of others. In accordance with section 113 of the *Real Estate Brokerage Act*, the Committee has hired the personnel necessary for the carrying out of its functions, including inspectors whom, during the year 2001, visited 515 brokers and examined brokerage contract and transaction records completed by 629 agents. Each of the brokers and agents inspected received a personalized report containing the inspector's observations and recommendations.

The number of agents inspected in 2001 represents a sharp decrease from the previous year due to the fact that inspectors focused their efforts on small brokerage firms that had not been inspected for some time.

In addition, the frequency of inspections has gradually decreased these last few years. This is mainly due to the fact that inspection protocols have become more complex and involve more work at each of the inspector's visits. Where a complete inspection tour of ACAIQ members used to take two years, it now takes about four and a half years.

Furthermore, inspectors are increasingly solicited for tasks other than inspection visits, including trust account auditing, training sessions and auditing its members' publicity. The Professional Inspection Department added an inspector in July 2001, but the impact of this addition on the inspection volume was partly countered by a surge in various other activities. The frequency of inspections remains comparable to what exists in similar organizations.

Each year during these inspections, several brokers who hold a certificate but do not carry out any transactions are identified. At the beginning of the year, they are asked to fill out a questionnaire in which they declare not having resumed the practice of real estate brokerage. A total of 88 brokers were targeted by this procedure in 2001.

CONTINUING EDUCATION

In 2001, the Professional Inspection Department took part in several continuing education activities. Thus inspectors, in cooperation with the Association's Education Department and various Real Estate Boards, gave 54 training sessions on various topics involving the practice of real estate brokerage.

The Professional Inspection Department also met with 33 real estate brokerage student groups to explain the mission and structure of the ACAIQ and to answer their questions regarding the career of real estate agent which they are preparing to enter.

OTHER ACTIVITIES

Many new real estate brokers requested a meeting to make sure they set up their records and registers according to generally accepted practices. Since its inception, the Professional Inspection Department has met new brokers in their first few months of practice to help them get started. The Professional Inspection Department also verifies notices of disclosure, claim reports and quarterly reports on trust account transactions.

Internet monitoring continued to be a key activity for the Department. This enables us to ensure that certificate holders who advertise on the Internet are following publicity rules and to detect violators who practice real estate brokerage on the Internet without being duly certified. During the year 2001, Internet monitoring has led to the opening of 155 files, 33 of which were investigated for illegal practice or were being followed up on by the Professional Inspection Department as of December 31, 2001.

CASES REFERRED TO THE SYNDIC FOR INVESTIGATION FOLLOWING AN INSPECTION

In general, simple recommendations and follow-up by the inspectors were sufficient to settle most cases where deficiencies were observed. However, a small number of cases had to be referred to the Syndic for further investigation.

TRUST ACCOUNTS

As of December 31, 2001, 480 brokers held a trust account and approximately 7,000 agents had access to these accounts for their client's deposits, enabling clients to benefit from the protection of the *Fonds d'indemnisation du courtage immobilier*. During the period, the Professional Inspection Department undertook a serious examination of trust accounts, which enabled it to apply corrective action and detect several cases where there was an urgent need for training. Consequently, the Professional Inspection Department, in collaboration with the *Collège de l'immobilier du Québec*, developed a training program on trust account management. The training was given to all student groups registered in the accounting program required to become a chartered real estate broker.

The Professional Inspection Department intends to keep up vigilance in auditing trust account transactions and the quarterly reports submitted by brokers. It will also encourage brokers to have a trust account in order to increase the degree of protection for the public.



Raymond Desbiens

Professional Inspection Committee Chairman

General observations

Conflict of interest: The Professional Inspection Committee is concerned by the fact that compensation paid to real estate brokers and agents by financial institutions for referring clients is not always disclosed to the clients as required under section 24 of the Act. We will continue to focus special attention on this problem, which directly impacts the protection of the public and the credibility of our profession.

Broker accountability: In the last several years, the Committee has noticed a certain disengagement on the part of brokers when it comes to supervising the work of their agents. This lack of structure is evident at certain broker offices and the Committee would like to see this trend reversed. The Committee therefore intends to work to restore as much as possible the crucial *leadership* role that must be played by brokers.

Continuing Education: The Committee is encouraged by the keen interest shown by members of the profession in the ACAIQ's continuing education activities and it encourages the Professional Inspection Department to contribute as much as possible in this area. In the last few years, a notable improvement has occurred in the quality of the work of members who attended these information sessions. Record-keeping and follow-up on transaction terms reflect a higher degree of professionalism.

Trust accounts: The Committee intends to keep up its vigilance regarding trust account transactions by real estate brokers and agents, including quarterly reports. Deposits entrusted to trustees other than brokers remain a concern as they escape the scrutiny of the Professional Inspection Committee and the Syndic.

Verification of information: The accuracy of the information regarding the object of a brokerage contract remains a major concern, although some progress has been made in this area. Brokers and agents are generally more aware of their responsibilities in this regard and their record-keeping continues to improve.

The Committee feels that proper verification of this information is essential for all real estate professionals in order to conscientiously perform their duty of informing and advising their clients. The Professional Inspection Department will emphasize this obligation more strongly. It means to tighten up surveillance of this aspect to ensure better quality services to the public.

Real estate fraud: Without meaning to infringing on the role of the Office of the Syndic, the Professional Inspection Committee also intends to contribute to the fight against real estate fraud by asking inspectors to be vigilant and to inform the Office of the Syndic of any suspicions in this area.

Brief on the review of the *Real Estate Brokerage Act*: The Board of Directors of the ACAIQ has filed its Brief with the Québec Finance Minister, thus initiating the review process of the *Real Estate Brokerage Act*. The Brief outlines several of the Professional Inspection Committee's concerns and we intend to give our full support to the Board of Directors.



Treasurer's Report



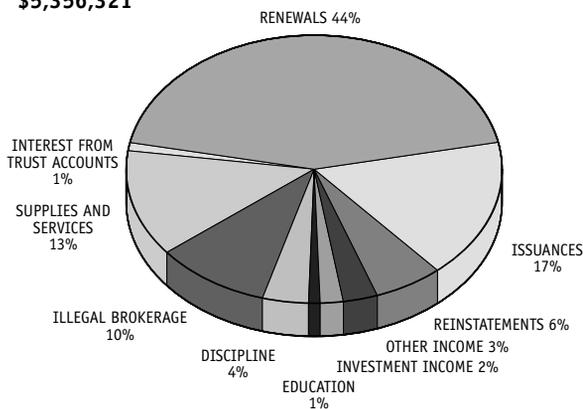
Paul Robert, treasurer
Chairman of the Finance Committee

The Association des courtiers et agents immobiliers du Québec closed the 2001 financial year with a deficit of \$322,292. Revenues stood at \$5,356,321, compared with \$5,217,273 the previous year, and expenditures were \$5,688,612, as against \$5,050,171 in 2000.

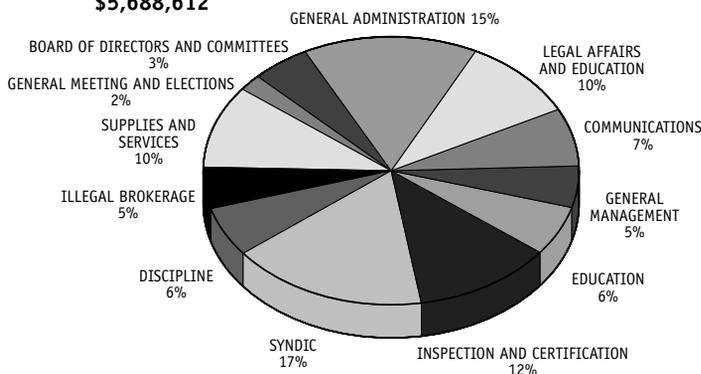
One of the highlights of the period was an appreciable increase in revenue, to the tune of \$139,000. The boom in the real-estate market and the unprecedented volume of sales by members resulted in an \$80,000 growth in supplies and services, as well as a slight increase in fees collected. On the down side, investment income and interest from trust accounts fell because of a drop in interest rates and the launch of an advertising campaign.

Breakdown of revenue by source and expense by sector of activity of the Association

Revenue - 2001
\$5,356,321



Expense - 2001
\$5,688,612



Expenditures reflect an increase of some \$368,500 in salaries and employee benefits attributable to the hiring of staff for the Office of the Syndic as well as *Info ACAIQ* and Professional Inspection services. It should be noted that the implementation of a continuing education program generated costs for the first full year. Lastly, financial expenses almost doubled because the ACAIQ assumed all costs involved in credit-card payments.

At December 31, 2001, the ACAIQ's accumulated surplus totalled \$444,002. Thanks to the increase in chargeable fees approved at the last general meeting in Laval in April 2001, the organization should be able to balance its budget next year.

Paul Robert
Chairman of the Finance Committee



Auditors' report



Samson Bélair/Deloitte & Touche,

S.E.N.C.

Assurance and Advisory Services

To the Members of
Association des courtiers
et agents immobiliers
du Québec

We have audited the balance sheet of Association des courtiers et agents immobiliers du Québec as at December 31, 2001 and the statements of revenue and expenses and 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.

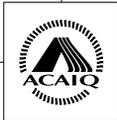
We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence 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, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Samson Bélair
Deloitte & Touche*

Chartered Accountants

February 15, 2002



Statement of revenue and expenses

year ended December 31, 2001

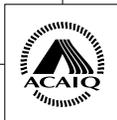
	2001	2000
Revenue		
Members' fees	\$3,591,617	\$3,421,887
Supplies and services – Schedule	105,320	24,497
Illegal practice – Schedule	258,943	295,909
Investment and other income	249,882	293,148
Interest from trust accounts – net (Note 6)	65,012	317,330
	4,270,774	4,352,771
Expenses		
Salaries and employee benefits	2,204,857	2,083,760
Office expense	257,667	291,374
Occupancy expenses (Note 7)	259,758	308,833
Discipline – Schedule	102,698	98,316
Education – Schedule	307,106	-
Attendance allowance and employee benefits	266,343	245,759
Meetings and travelling	164,025	163,960
Elections	31,191	24,914
Publications and public relations	63,610	73,491
Professional fees	717,198	697,372
Financial expenses	38,816	20,925
Contribution to the Inspector General of Financial Institutions	74,044	69,241
Amortization	115,753	107,724
	4,603,066	4,185,669
Excess (deficiency) of revenue over expenses	(\$332,292)	\$167,102

Statement of changes in net assets

year ended December 31, 2001

	2001			2000
	Invested in capital assets	Unrestricted	Total	Total
Balance, beginning of year	\$1,187,893	(\$411,599)	\$776,294	\$609,192
Excess (deficiency) of revenue over expenses	(269,429)⁽¹⁾	(62,863)	(332,292)	167,102
Investment in capital assets	555,351	(555,351)	-	-
Balance, end of year	\$1,473,815	(\$1 029,813)	\$444,002	\$776,294

(1) Amortization of capital assets



Balance sheet

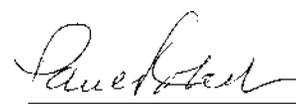
as at December 31, 2001

	2001	2000
Assets		
Current assets		
Cash	\$2,213,642	\$1,476,921
Temporary investment, at cost	1,600,930	1,862,968
Accounts receivable	140,394	83,559
Current portion of financing lease (Note 3)	11,760	22,751
Supplies inventory	114,520	155,710
Prepaid expenses	112,657	35,883
	4 193 903	3,637,792
Financing lease (Note 3)	-	11,760
Notes receivable (Note 4)	44,677	41,950
Capital assets (Note 5)	1,473,815	1,187,893
	5,712,395	4,879,395
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	1,121,879	1,112,545
Deferred revenue	3,804,414	2,647,462
	4,926,293	3,760,007
Deferred lease inducement	342,100	343,094
	5,268,393	4,103,101
Surplus		
Invested in capital assets	1,473,815	1,187,893
Unrestricted	(1,029,813)	(411,599)
	444,002	776,294
	\$5,712,395	\$4,879,395

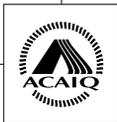
Approved by the Board



 Director



 Director



Notes to the financial statements

year ended December 31, 2001

1. Description of organization

The Association, incorporated under the *Real Estate Brokerage Act* (Québec), 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, and in particular by seeing that its members pursue their activities in accordance with the Act and regulations.

It 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.

Supplies inventory

The supplies inventory is valued at the lower of cost and net realizable value. Cost is determined under the average cost method.

Capital assets

Capital assets are amortized over their estimated useful lives under the straight-line method as follows:

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

Deferred revenue

Income from annual fees is charged to the statement of revenue and expenses on a monthly basis over the duration of the broker certificates.

Deferred lease inducement

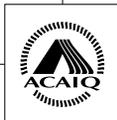
Deferred lease inducement represents a total of \$415,125 collected from the landlord as lease inducements. This income is amortized on a straight-line basis over the duration of the lease, which expires in January 2010. The amortization is applied against occupancy expenses in the statement of revenue and expenses.

3. Financing lease

The Association entered into a financing lease bearing interest at 6.5%. This lease is repayable in monthly blended instalments of \$2,027 and is due in June 2002.

The minimum principal amounts receivable in 2002 are as follows:

Total balance receivable in 2002	\$12,163
Less the amount representing interest	403
	11,760
Less current portion	\$11,760
Lease contract	-



4. Notes receivable

The Association has two notes receivable of \$20,000 each bearing interest at 6.5%. These notes are due in April and May 2004, respectively.

5. Capital assets

	2001			2000
	Cost	Accumulated amortization	Net book value	Net book value
Furniture	\$475,621	\$323,493	\$152,128	\$116,875
Office equipment	160,944	77,689	83,255	25,494
Telephone equipment	93,980	79,858	14,122	10,880
Computer equipment and updates	521,422	365,248	156,174	106,952
Leasehold improvements	1,273,677	205,541	1,068,136	927,692
	\$2,525,644	\$1,051,829	\$1,473,815	\$1,187,893

6. Fund for public information

The Fonds de financement de l'Association des courtiers et agents immobiliers du Québec pour l'information du public was established by the Board of Directors of the Association in accordance with the *Real Estate Brokerage Act* (Québec). The Fund consists of interest generated by the sums of money held in trust, in conformity with the Act. The Fund must be used primarily for the production and 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 Fund-related expenses, which are included in the revenue and expenses of the Association, are as follows:

	2001	2000
i) Interest from trust accounts - net		
Interest on sums of money held in trust	\$294,237	\$377,140
Salaries and employee benefits	26,169	35,438
Printing	13,356	13,123
Delivery	2,943	-
Advertising	176,987	-
Professional fees	9,555	11,232
Office expenses	215	17
	229,225	59,810
Fund balance	65,012	317,330
ii) Fund-related expenses included in the statement of revenue and expenses		
Information relating to public rights*	297,377	70,751
Professional inspection	224,496	177,045
Discipline	319,670	266,532
Fund balance	\$841,543	\$514,328
* Directly available to the public: \$231,768 in 2001 and \$68,682 in 2000.		
iii) Fund balance, end of year	Nil	Nil

7. Occupancy expenses

Occupancy expenses include the following:

	2001	2000
Occupancy costs	\$206,901	\$273,885
Amortization of leasehold improvements	79,516	85,766
Amortization of deferred lease inducement	(26,659)	(29,780)
Subleasing revenue	-	(21,038)
	\$259,758	\$308,833

8. Commitment

The Association is committed under a lease agreement for its premises, expiring in January 2010, to pay a total of \$2,918,930. The minimum amounts payable over the forthcoming years are as follows:

2002	\$326 207
2003	333 516
2004	341 190
2005	357 178
2006	367 478
2007	377 015
2008	386 342
2009	396 136
2010	33 868

The Association is also committed under a computer services contract expiring on June 30, 2004 to pay \$959,755.

The minimum amounts payable in each of the next three years are as follows:

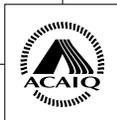
2002	\$366 200
2003	383 610
2004	209 945

9. Line of credit

The Association has an authorized line of credit for a maximum of \$500,000, bearing interest at 1.5% above prime.

10. Statement of cash flows

A statement of cash flows has not been presented as it would not provide any additional meaningful information.



Summary of revenue and expenses

year ended December 31, 2001

	2001	2000
Supplies and services		
Revenue	\$680,844	\$502,142
Direct costs		
Cost of sales	395,294	333,410
Salaries and employee benefits	147,002	96,827
Printing and translation	13,932	15,322
Professional fees	17,130	28,576
Other costs	2,166	3,510
	575,524	477,645
	\$105,320	24,497
Illegal practice		
Revenue		
Renewals	\$517,900	\$511,700
Penalties	4,525	2,850
	522,425	514,550
Costs		
Penal investigations	98,247	77,896
Advertising	-	203
Legal fees	22,669	6,199
Salaries and employee benefits	120,962	104,350
Occupancy expenses	6,535	15,389
Amortization	5,145	5,010
General administration	9,924	9,594
	263,482	218,641
	\$258,943	\$295,909
Discipline		
Revenue		
Penalties and disbursements received	\$216,972	\$168,216
Direct costs		
Discipline Committee	104,936	68,556
Salaries and employee benefits	73,476	46,405
Occupancy	37,505	40,155
Delivery	27,925	20,664
Public notices	556	5,475
Professional fees	25,909	26,473
Bad debts	30,309	52,807
Amortization	5,145	2,505
Office expenses	13,909	3,492
	319,670	266,532
	(\$102,698)	(\$98,316)

	2001	2000
Education		
Revenue	\$29,570	-
Direct costs		
Salaries and employee benefits	198,852	-
Occupancy	74,975	-
Amortization	7,717	-
Publication	18,552	-
Travelling	15,587	-
Professional fees	10,413	-
Office expenses	10,580	-
	336,676	-
	(\$307,106)	-



Association des courtiers
et agents immobiliers du Québec