

In the Matter of the  
***FINANCIAL INSTITUTIONS ACT, RSBC 1996, c.141***  
(the “Act”)

and the  
**INSURANCE COUNCIL OF BRITISH COLUMBIA**  
 (“Council”)

and  
**DONALD LORNE GABLE**  
(the “Licensee”)

**ORDER**

As Council made an intended decision on March 11, 2025, pursuant to sections 231, 236, and 241.1 of the Act; and

As Council, in accordance with section 237 of the Act, provided the Licensee with written reasons and notice of the intended decision dated April 22, 2025; and

As the Licensee has not requested a hearing of Council’s intended decision within the time period provided by the Act;

Under authority of sections 231, 236, and 241.1 of the Act, Council orders that:

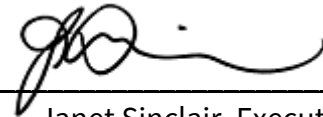
- 1) The Licensee’s life and accident and sickness insurance agent licence is cancelled;
- 2) The Licensee is required to complete the following courses, or equivalent courses as acceptable to Council, by August 11, 2025:

- i. Council Rules Course for life and/or accident and sickness; and
- ii. Making Choices I: Ethics and Professional Responsibility in Practice through Advocis

(collectively, the “Courses”)

- 3) The Licensee is assessed Council's investigation costs in the amount of \$1,312.50, to be paid by August 11, 2025, and which must be paid in full prior to being licensed in the future; and
- 4) Council will not consider an application for any insurance licence from the Licensee for a period of four years, starting on the date of Council's Order, and until the investigation costs are paid in full and the Courses have been completed.

This order takes effect on the **12<sup>th</sup> day of May, 2025.**

A handwritten signature in black ink, appearing to read 'Janet Sinclair', is positioned above a horizontal line.

Janet Sinclair, Executive Director  
Insurance Council of British Columbia

**INTENDED DECISION**

of the

**INSURANCE COUNCIL OF BRITISH COLUMBIA**

(“Council”)

respecting

**DONALD LORNE GABLE**

(the “Licensee”)

1. Pursuant to section 232 of the *Financial Institutions Act* (the “Act”), Council conducted an investigation to determine whether the Licensee acted in compliance with the requirements of the Act, Council Rules and Code of Conduct, and in particular to determine whether the Licensee breached section 3 (“Trustworthiness”) of the Code of Conduct by failing to adhere to the standards of conduct in the mutual funds industry, and for not disclosing the disciplinary action of another financial services regulator as required under Council Rule 7(3)(a)(i).
2. On January 11, 2024, the Licensee entered into a Settlement Agreement with the Canadian Investment Regulatory Organization (“CIRO”) and on March 24, 2024, CIRO published its Reasons for Decision. The Licensee failed to notify Council within five business days of the CIRO disciplinary decision (the “CIRO decision”), as required by Council Rule 7(3)(a)(i).
3. Since the Licensee was disciplined by another Canadian financial services regulator, Council chose to forgo the Review Committee stage of its investigation process and refer the matter directly to the Council voting members to determine whether to invoke the reciprocal enforcement procedure and order the same or similar discipline as CIRO or whether to impose other sanctions on the Licensee’s licence.
4. The Licensee was informed that the matter would be presented at Council’s March 11, 2025, meeting, and he made written submissions outlining the circumstances that led to the CIRO decision. Council staff also prepared a report for Council that was reviewed at the March 11, 2025, meeting. Council determined that the matter should be disposed of in the manner set out below.

## **PROCESS**

5. Pursuant to section 237 of the Act, Council must provide written notice to the Licensee of the action it intends to take under sections 231, 236 and 241.1 of the Act before taking such action. The Licensee may then accept Council's decision or request a formal hearing. This intended decision operates as written notice of the action Council intends to take against the Licensee.

## **FACTS**

### **Licence History**

6. The Licensee became licensed with Council as an unaffiliated life and accident and sickness insurance agent on September 11, 2017.
7. The Licensee became licensed with the Alberta Insurance Council ("AIC") as a life and accident and sickness insurance agent on February 26, 2008. The Licensee disclosed the CIRO decision in his AIC renewal application in 2024. The AIC renewed the Licensee's licence.
8. The Licensee was also registered from March 7, 2008, to February 10, 2021, as a dealing representative in Alberta with a "Dealer Member". On February 10, 2021, the Dealer Member terminated the Licensee's membership as a result of securities-related violations. The Licensee is not currently registered in the securities industry in any capacity.

### **CIRO Discipline**

9. On January 11, 2024, the Licensee entered into a Settlement Agreement with CIRO, a consolidation formed from the merger of the Investment Industry Regulatory Organization of Canada and the Mutual Fund Dealers Association of Canada ("MFDA").
10. On January 17, 2024, CIRO held a settlement hearing and on March 24, 2024, CIRO published its Reasons for Decision.
11. In the Settlement Agreement, the Licensee admitted to the following violations of the MFDA's by-laws, rules, or policies:
  - a) between September and November 2017, the Licensee engaged in securities-related business that was not carried on for the account of the Dealer Member or conducted

through its facilities by recommending, selling or facilitating the sale of securities to an individual;

- b) between April and November 2017, the Licensee referred an individual and a Dealer Member client to invest in companies and received compensation for doing so, thereby participating in a referral arrangement to which the Dealer Member was not a party; and
- c) between October and November 2019, the Licensee failed to report to the Dealer Member that he had received a client complaint and paid compensation to the client to settle the complaint without informing the Dealer Member or obtaining its prior written consent.

### **The Order**

12. In the Settlement Agreement, the Licensee agreed to the following terms:

- a) He is prohibited from conducting securities-related business in any capacity while in the employ of or associated with any Dealer Member of CIRO registered as a mutual fund dealer for a period of 10 years;
- b) He shall pay a fine of \$36,000;
- c) He shall pay costs of \$7,500; and
- d) He shall in the future comply with the policies and procedures of the Dealer Member and MFDA rules 1.1.1, 1.4(b), 2.1.1, 1.1.2 (as it relates to Rule 2.5.1), 2.4.2, 600 and 300.

13. On May 15, 2024, the Licensee informed Council staff that he was unaware of the requirement to notify Council of the CIRO decision. He also stated that none of the Licensee's insurance clients in British Columbia were affected by his misconduct. The Licensee indicated that he was not trying to mislead Council because he understood the issue would come up at the time of his licence renewal. He did report the discipline to his Managing General Agency ("MGA") and on Apexa, a digital platform for advisors, MGAs and carriers.

### **Alberta Insurance Council**

14. The Licensee informed the AIC of the CIRO decision in his reapplication form, and in 2024 the AIC renewed his licence. The AIC informed Council that the CIRO decision could not be considered by them in either the licence renewal process or the compliance process.

## **Licensee Submissions**

15. The Licensee was informed that his case had been escalated to the voting members of Council under the reciprocal enforcement process, and he provided his submissions for Council's March 11, 2025, meeting.
16. The Licensee provided Council with a letter openly admitting that he was unaware of Council's requirement to disclose the CIRO decision to Council within five days and that he took full responsibility for his actions. He referred to the will-say statement he made during the CIRO case as adequately outlining the events which led to the CIRO decision.
17. In his letter to Council, the Licensee stated that he is prepared to accept any fine for not reporting the disciplinary action to Council in a timely manner. His letter emphasized his remorse, and he took full accountability and apologized for his actions. The Licensee also indicated that he has suffered from health issues and described the negative impact this has had on him. He was agreeable to answering any of Council's additional questions.

## **ANALYSIS**

18. Council found a clear breach of Council Rule 7(3)(a)(i), as the Licensee did not inform Council within five business days of the CIRO decision. Council also found the Licensee's misconduct amounted to a breach of Council's Code of Conduct section 3 ("Trustworthiness").
19. The Licensee's misconduct, as identified in the CIRO decision, affected clients in Alberta. Council acknowledged that none of the Licensee's insurance clients in British Columbia were involved in or affected by the CIRO decision. Although the Licensee's misconduct took place in the mutual funds industry and did not fall into the conduct of insurance business, the principle of trustworthiness articulated in Council's Code of Conduct extends beyond insurance business activities.
20. Section 3 ("Trustworthiness") of Council's Code of Conduct requires licensees to be trustworthy and to conduct all professional activities with integrity, reliability and honesty. In light of the CIRO decision which prohibits the Licensee from conducting securities-related business for 10 years, Council has concerns about the Licensee's trustworthiness. The Licensee did not adhere to the standards of conduct in the mutual funds industry when he conducted securities-related business that was not approved by the Dealer Member or through their facilities. He also participated in referral arrangements and accepted a referral fee from clients without the approval of the Dealer Member. Further, he failed to report a complaint to the Dealer Member and took steps to compensate the party

without the consent of the Dealer Member. The Licensee's inability to deal fairly, honestly, in good faith, and adhere to the high standards of ethics required by CISO raised concerns about his trustworthiness in the insurance industry.

## PRECEDENTS

21. Before making its intended decision, Council took into consideration several past decisions of cases that involved misconduct with another financial services regulator. While Council is not bound by precedent and each matter is decided on its own facts and merits, Council found that these decisions were instructive in terms of providing a range of sanctions for similar types of misconduct.
22. [Hui Chuan Lisa Hsu](#) (November 2022): The licensee was the subject of an ongoing investigation by the MFDA and failed to disclose the MFDA investigation in a licence application to Council. The licensee engaged in personal financial dealings with clients by borrowing money from clients. The MFDA published an order prohibiting the licensee from conducting securities-related business in any capacity for five years and required the licensee to pay a \$20,000 fine and \$5,000 in costs. The licensee failed to notify Council of the MFDA disciplinary order within five days, as per Council Rule 7(3)(a)(i). Council ordered the cancellation of the licensee's Level 1 general insurance salesperson licence.
23. [Jewel Mary Henricks](#) (July 2021): The licensee was the subject of an MFDA disciplinary hearing. The MFDA found that the licensee deposited a \$5,000 cheque and \$5,508.82 in proceeds of redemptions from clients into her personal bank account. She falsely recorded the home address of two clients using her own business address on five client account application forms and falsely recorded the email addresses of three clients using her own personal email address on eight client account application forms. The MFDA issued a disciplinary order against her permanently prohibiting her from conducting securities-related business, and required her to pay a \$50,000 fine and \$10,000 in costs. The licensee failed to notify Council of the MFDA discipline, as per Council Rule 7(3)(a)(i). Council ordered the cancellation of her Life Agent licence.
24. [Blaise Leslie Szekely](#) (December 2019): The licensee was the subject of an MFDA disciplinary hearing. The MFDA found that the licensee solicited \$287,542 from two clients and two individuals for investments outside the dealer member and failed to fully repay or account for these monies. The licensee also engaged in personal financial dealings with two clients by soliciting approximately \$80,000 and \$10,000 for investments outside the dealer member. The MFDA issued a disciplinary order against her, permanently prohibiting her from conducting securities-related business, and required her to pay a \$150,000 fine and \$5,000 in costs. The licensee failed to notify Council of the MFDA discipline, as per Council Rule 7(3)(a)(i). Council ordered the cancellation of her Life Agent licence.

25. [Jeffrey Dean Mushaluk](#) and [Jeffrey Dean Mushaluk](#) (November 2016, December 2021): The BC Securities Commission (the “BCSC”) determined that the licensee engaged in unregistered trading and unregistered advising. The BCSC issued a disciplinary order against the licensee, prohibited him from engaging in a number of securities-related activities for a period of 12 years, and required him to pay a \$50,000 fine. The licensee failed to notify Council of the BCSC discipline, as per Council Rule 7(3)(a)(i). Council ordered the cancellation of his Life Agent licence. In 2016, Council had previously imposed a three-year licence suspension, a \$25,000 fine and \$5,000 in costs on the licensee after he was disciplined by the MFDA for similar misconduct. The MFDA prohibited him from conducting securities-related business while employed by or associated with an MFDA member for three years and required him to pay a \$25,000 fine and costs of \$5,000.
26. [Michael Gordon Prueter](#) and [Michael Gordon Prueter](#) (September 2016, October 2016): In July 2015, the licensee entered into a settlement agreement with the MFDA that prohibited him from holding a mutual fund registration for two years and required him to pay a \$10,000 fine and \$2,500 in costs. The licensee failed to notify Council of the MFDA discipline, as per Council Rule 7(3)(a)(i). Council ordered that the licensee’s Life Agent licence be suspended until he proves he has met all terms of the settlement agreement with the MFDA. Council also ordered a condition be imposed on his licence requiring him to successfully complete the Council Rules Course and pay a \$7,500 fine.
27. [Hsi Chun Chiang](#) (June 2012): On January 12, 2012, the licensee reached a settlement deal with the MFDA that prohibited her from engaging in mutual fund business for a 10-year period and required her to pay a \$45,000 fine and \$5,000 in costs. The MFDA found that the licensee had engaged in securities-related business that was not carried on for the account and through the facilities of the dealer member, among other allegations. The licensee reported the MFDA discipline to Council as per Rule 7(3)(a)(i). Council investigated the matter to determine if the MFDA discipline reflected her suitability to hold a licence. Council decided to impose conditions on the licensee’s licence, including prohibiting her from selling any non-insurance financial products and requiring her to maintain her Certified Financial Planner designation, give written notification to Council before engaging in any outside business activities, and to place all her insurance business through her managing general agent.
28. [Douglas Bryan Ruemper](#) (January 2011): The licensee was disciplined in 2010 by the MFDA for making an offer to settle a complaint without the prior written consent of his mutual funds dealer and for engaging in 12 outside investment activities without disclosing or obtaining approval from his mutual funds dealer. The licensee failed to notify Council of the MFDA discipline or a civil judgment against him involving an investment, pursuant to Rule 7(3)(a)(ii). Council noted that there was already a significant penalty imposed on him by the MFDA and that the licensee had acknowledged his failure and did not dispute that he breached Council’s Rules. Council found an element of public risk existed



and therefore felt it necessary to monitor the licensee's activities. Council sent a caution letter to the licensee reminding him about his notification responsibilities and ordered that conditions be imposed on his licence requiring him to be under direct supervision for a minimum period of two years, that he complete a Life Licence Qualification Program examination and that he pay \$950 in investigation costs.

29. Council considered [Hsu](#), [Mushaluk November 2016](#) and [Mushaluk December 2021](#) as precedent cases where a licensee had failed to inform Council within five business days after being disciplined by another financial services regulator. In these cases, the financial services regulator prohibited the licensee from conducting securities-related business for a period of five and twelve years, respectively. In the other cases noted above, the financial services regulator permanently prohibited the licensee from conducting securities-related business. In this case, the Licensee was only prohibited from conducting securities-related business for a 10-year period and was not permanently prohibited from the securities industry.

#### **MITIGATING AND AGGRAVATING FACTORS**

30. Council considered relevant mitigating and aggravating factors. In Council's opinion, the most notable mitigating factor was that the Licensee's misconduct was not committed in the insurance industry and none of his BC clients were harmed. The Licensee complied with Council's requests throughout the investigation and was responsive to emails from Council's Investigator. Council did not identify any aggravating factors.

#### **CONCLUSIONS**

31. After weighing all of the relevant considerations, Council concluded that the Licensee's Life Agent licence should be cancelled and the Licensee be prohibited from applying for a licence for four years. The Licensee should also be required to complete the Council Rules Course and an ethics course and be assessed investigation costs.
32. Council concluded that imposing a fine in this instance is not necessary. The CIRO decision reflected the Licensee's misconduct in the mutual funds industry with breaches to the MFDA's by-laws, rules and policies. The Licensee is in breach of Council Rule 7(3)(a)(i) in that he failed to inform Council of the CIRO decision within five business days. The Licensee's misconduct also amounted to a breach of section 3 of Council's Code of Conduct ("Trustworthiness").

33. Council held that the Licensee's misconduct was less serious than the egregious behaviour seen in discipline cases where a 10-year prohibition was ordered. For less serious matters, Council has generally ordered that a licence be cancelled, and the licensee be prohibited from applying for a licence renewal between three and five years. Council determined that it is appropriate to cancel the Licensee's licence and prohibit him from applying to renew his licence for a period of four years.
34. Council believes it is appropriate to require the Licensee to take the Council Rules Course and an ethics course immediately, regardless of the requirement that the Licensee must take the Council Rules Course if he reapplies for a licence in the future. Council felt that requiring the Licensee to complete these two courses at this time would stress the importance for a Licensee to adhere to Council Rules, as well as best address the Licensee's behaviour at this point in time.
35. Council intends to assess investigation costs to the Licensee. As a self-funded regulatory body, Council looks to licensees who have engaged in misconduct to bear the costs of their discipline proceedings, so that those costs are not otherwise borne by British Columbia's licensees in general. Council has not identified any reason for not applying this principle in the circumstances.

#### **INTENDED DECISION**

36. Pursuant to sections 231, 236 and 241.1 of the Act, Council made the following intended decision:
  - a. That the Licensee's life and accident and sickness insurance agent licence be cancelled;
  - b. That the Licensee be required to complete the following courses, or equivalent courses as acceptable to Council, within 90 days:
    - i. Council Rules Course for life and/or accident and sickness; and
    - ii. Making Choices I: Ethics and Professional Responsibility in Practice through Advocis

(collectively, the "Courses");

- c. That the Licensee be assessed Council's investigation costs in the amount of \$1,312.50, to be paid within 90 days of Council's Order, and which must be paid in full before the Licensee is licensed in the future; and
  - d. That Council will not consider an application for any insurance licence from the Licensee for a period of four years, starting on the date of Council's Order, and until the investigation costs are paid in full and the Courses have been completed.
37. Subject to the Licensee's right to request a hearing before Council pursuant to section 237 of the Act, the intended decision will take effect after the expiry of the hearing period.

#### **ADDITIONAL INFORMATION REGARDING COSTS**

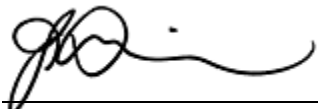
38. Council may take action or seek legal remedies against the Licensee to collect outstanding costs, should these not be paid by the 90-day deadline.

#### **RIGHT TO A HEARING**

39. If the Licensee wishes to dispute Council's findings or its intended decision, the Licensee may have legal representation and present a case in a hearing before Council. Pursuant to section 237(3) of the Act, to require Council to hold a hearing, the Licensee **must give notice to Council by delivering to its office written notice of this intention within fourteen (14) days of receiving this intended decision.** A hearing will then be scheduled for a date within a reasonable period of time from receipt of the notice. Please direct written notice to the attention of the Executive Director. **If the Licensee does not request a hearing within 14 days of receiving this intended decision, the intended decision of Council will take effect.**
40. Even if this decision is accepted by the Licensee, pursuant to section 242(3) of the Act, the British Columbia Financial Services Authority ("BCFSA") still has a right of appeal to the Financial Services Tribunal ("FST"). The BCFSA has thirty (30) days to file a Notice of Appeal once Council's decision takes effect. For more information respecting appeals to the FST, please visit their website at <https://www.bcfst.ca/> or visit the guide to appeals published on their website at <https://www.bcfst.ca/app/uploads/sites/832/2021/06/guidelines.pdf>.

Dated in Vancouver, British Columbia, on the **22<sup>nd</sup> day of April, 2025.**

For the Insurance Council of British Columbia

A handwritten signature in black ink, appearing to read 'JS', followed by a horizontal line.

Janet Sinclair  
Executive Director