

**In the Matter of**

**The *FINANCIAL INSTITUTIONS ACT* (the "Act")  
(RSBC 1996, c.141)**

**and**

**THE INSURANCE COUNCIL OF BRITISH COLUMBIA ("Council")**

**and**

**BALJINDER SINGH TAKHAR (the "Licensee")**

## **ORDER**

As Council made an intended decision on September 11, 2007, under sections 231, 236 and 241.1 of the Act; and

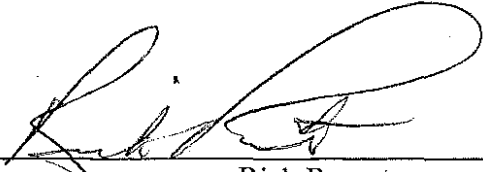
As Council, in accordance with section 237 of the Act, provided the Licensee with written reasons and notice of the intended decision dated October 2, 2007; and

As the Licensee has not requested a hearing of Council's intended decision within the time provided to request a hearing;

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

1. the Licensee's licence is cancelled and he is not suitable to hold an insurance licence for a minimum period of one year from the date Council's order takes effect;
2. the Licensee is fined \$5,000.00;
3. the Licensee pay half the costs of Council's investigation into this matter assessed at \$1,181.25; and
4. as a condition of this decision, the Licensee is required to pay the above mentioned fine and costs prior to any reinstatement of his licence.

This order takes effect **October 27, 2007**

  
Rick Parent, CIP, CRM  
Chairperson, Insurance Council of B.C.

## **INTENDED DECISION**

of the

### **INSURANCE COUNCIL OF BRITISH COLUMBIA ("Council")**

respecting

### **BALJINDER SINGH TAKHAR (the "Licensee")**

#### **INTRODUCTION**

Pursuant to section 232 of the *Financial Institutions Act* (the "Act"), Council conducted an investigation to determine whether there had been compliance by the Licensee with the requirements of the Act.

As part of Council's investigation, on August 15, 2007, an Investigative Review Committee (the "Committee") met with the Licensee to discuss allegations that he:

1. processed unnecessary Autoplan transactions on his own and his wife's vehicles for the purpose of generating extra commissions;
2. processed Autoplan transactions on his own and his wife's vehicles in order to save on insurance premiums;
3. falsely executed Autoplan documents and processed those documents knowing that they had been falsely executed; and
4. made a misrepresentation to ICBC in relation to an insurance claim.

The Committee is comprised of one voting and two non-voting members of Council, all of whom have significant experience in the insurance business. Prior to the Committee's meeting with the Licensee, an investigation report had been distributed to the Committee and the Licensee for review. A discussion of this report took place at the meeting and the Licensee was provided an opportunity to clarify the information contained therein and make further submissions. Having reviewed the investigation materials and after discussing this matter with the Licensee, agreement could not be reached with the Licensee as to the facts of the matter, any breaches of the applicable legislation and/or the appropriate disciplinary action and as such, the Committee did not make a recommended disposition to Council.

Accordingly, the matter was presented to Council *de novo* at its September 11, 2007 meeting. A separate investigation report was prepared and reviewed by Council. This report was also sent to

the Licensee prior to Council's meeting. The Licensee provided additional written submissions in response to the report and these submissions were also reviewed by Council. At the conclusion of its meeting, Council determined that the matter should be disposed of in the manner set out below.

### INTENDED DECISION PROCESS

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/or 241.1 of the Act before taking any 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

Based on the information contained in the investigation report to Council and the Licensee's corresponding written submissions, Council made the following findings of fact:

#### General

1. the Licensee first became licensed as a Level 1 General Insurance Salesperson on May 31, 2000 and has been employed at [REDACTED] (the "Agency") since that time;
2. the Licensee's primary profession is in real estate and he has been a real estate agent for over 15 years;
3. the Licensee works only part-time as an insurance salesperson and sets his own hours of work at the Agency; the Licensee only sells insurance to people he knows or those referred to him;
4. the Licensee is compensated by way of commissions only and earns 60 percent of the commission while the Agency retains the remaining 40 percent;

#### The Multiple Transactions

5. it came to ICBC's attention that the Agency had produced a high number of transactions on the same vehicle registration number over a period of several months; after further investigation by ICBC, it was determined that, between May 13, 2004 and July 11, 2006, the Licensee had processed 163 Autoplan transactions, on his own and his wife's vehicles, at the Agency's Surrey office, where he was employed;

6. ICBC had commenced an investigation with respect to the aforementioned transactions and noted that throughout this two year period, the Licensee would purchase a new one year term policy on either his own or his wife's vehicle, cancel the policy and then issue a storage policy; this occurred on average every 19 days;
7. each time the Licensee purchased a new plate policy on his own or his wife's vehicles, he would pay \$18.00 for the issuance of the new plate; he would then purchase a storage policy after cancelling the new plate policy to avoid paying any cancellation fees; although the Licensee would have to pay \$35.00 for a storage policy, he would receive a refund of approximately \$32.00 upon cancellation;
8. for each one year term, new plate policy, the Agency earned approximately \$200.00 in commissions and for each storage policy, ICBC would pay the Agency \$3.85 in commissions; as ICBC does not clawback or withhold commissions, the Licensee earned approximately \$4,700.00 in commissions for the 163 transactions processed on his and his wife's vehicles, based on his 60 percent commission split with the Agency;
9. the Licensee stated that he processed these transactions on his own and his wife's vehicle to save on insurance premiums; he had the use of his brother-in-law's fully insured Buick Century during 2004 and 2005 and cancelled the insurance on one or both of the other two vehicles since they were not in use;
10. according to the Licensee, he was concerned about mechanical issues and did not want either his own or his wife's vehicles parked for extended periods of time, therefore, he chose to rotate coverage on the two vehicles every two to three weeks to ensure they were still in good working order;
11. although the Licensee returned the Buick Century to his brother-in-law at the beginning of 2006, around the same time, the Licensee's wife was given a company car to drive and the Licensee continued to rotate coverage on his own and his wife's vehicles every few weeks;
12. ICBC confirmed that the Buick Century had been insured throughout 2004 and 2005;
13. the Licensee conceded that there were other options available to him, as he could have insured either his own or his wife's vehicles with a Temporary Operating Permit ("TOP"), or he could have registered both vehicles in his name, which would allow for a one year term policy on one vehicle and a storage policy on the other to be transferred without the need to cancel any coverage or issue new

plates; however, both of these options were more expensive than rotating coverage between the two vehicles;

14. the Licensee was aware that he would be receiving commissions for each Autoplan transaction he processed, that ICBC did not clawback commissions, and that ICBC paid higher commissions on sales of on year policies than on TOPs, however, he denied processing the transactions for the purposes of generating commissions;
15. the Licensee submitted that he did not think the multiple transactions he had processed would be considered inappropriate or a conflict of interest to ICBC since the ICBC system allowed the transactions to be processed;
16. the Licensee had paid for each of the transactions processed on his own and his wife's vehicle with a rewards credit card and when the policies were cancelled, ICBC issued cheques to either him or his wife representing the refund for the premiums, which allowed the Licensee to retain all the rewards points from his credit card;
17. in hindsight, the Licensee acknowledged that he should not have processed his own and his wife's insurance but rather, he should have had the transactions processed at another insurance agency with which he had no affiliation so that he would not have gain any benefits other than saving money on his insurance premiums;
18. as a result of its investigation, ICBC deducted \$7,863.71 for commissions paid to the Agency for the transactions processed on the Licensee's and his wife's vehicles and fined the Agency a one-day commission penalty of \$317.77;
19. [REDACTED] the nominee of the Agency (the "Nominee"), was not aware that the Licensee had processed these unnecessary transactions on his own and his wife's vehicles;
20. according to the Nominee, the Licensee has since repaid over \$4,200.00 to the Agency and although he continues to be employed there, he is no longer permitted to process his own insurance;

Improperly Executed Documents

21. with respect to the Autoplan transactions, the Licensee admitted that he had signed, on several occasions, insurance documents on his wife's behalf without having the proper authorization to do so, and subsequently processed these documents;

22. the Licensee stated that at the time, he thought that executing the documents for his wife was not improper because his wife trusted him and was aware that he was signing on her behalf;
23. the Licensee conceded that, as an insurance agent and a real estate agent, he was aware that it was unacceptable to allow his clients to sign documents on behalf of others without the proper authority to do so;

False Witness Statement

24. the Licensee admitted that he had provided a false statement to ICBC about an accident that had occurred on May 2, 2006, in which he was involved;
25. the Licensee gave a statement to ICBC on May 3, 2006, indicating that he did not know and had never met his witness, [REDACTED] prior to the accident, however it was later discovered by ICBC that the two men were friends;
26. although [REDACTED] was present and did witness the accident, the Licensee felt that ICBC would not accept him as a witness if it was known that the two were friends.

ISSUES

Council identified the following issues:

1. Does the evidence show that the Licensee failed to act in a trustworthy and competent manner, in good faith and/or in accordance with the usual practice of the business of insurance in this matter by:
  - a) processing unnecessary Autoplan transactions on his own and his wife's vehicles for the purpose of generating commissions?
  - b) processing Autoplan transactions on his own and his wife's vehicles in order to save on insurance premiums?
  - c) falsely executing Autoplan documents and processing those documents knowing that they had been falsely executed?
  - d) making a misrepresentation to ICBC in respect to an insurance claim?
  - e) in any other manner?
2. Is disciplinary or other action warranted in the circumstances?

**LEGISLATION**

**Rule 3 of the *Council Rules*  
Licence Applications**

**Applicants to Satisfy Council**

- (2) If an applicant satisfies Council that the applicant:
- (a) has met all of the requirements set out in the Act and Council Rules;
  - (b) is trustworthy, competent and financially reliable;
  - (c) intends to publicly carry on business as an insurance agent, salesperson or adjuster in good faith and in accordance with the usual practice of the business of insurance;
  - (d) has not in any jurisdiction:
    - (i) been refused, or had suspended or cancelled, an insurance licence or registration;
    - (ii) been convicted of an offence; or
    - (iii) been refused or had suspended or cancelled a licence or registration in any other financial services sector or professional fieldfor a reason that reveals the applicant unfit to be an insurance agent, salesperson or adjuster;  
and
  - (e) does not hold other business interests or activities which would be in conflict to the duties and responsibilities of a licensee, or give rise to the reasonable possibility of undue influence.
- then the Council may consent to issuing a licence.

**Section 231 of the Act  
Part 7 – Administration of the Regulation of Financial Institutions  
Division 2 – Insurance Council of British Columbia**

**Council may suspend, cancel or restrict licences and impose fines**

- (1) If, after due investigation, the council determines that the licensee or former licensee or any officer, director, employee, controlling shareholder, partner or nominee of the licensee or former licensee
- (a) no longer meets a licensing requirement established by a rule made by the council or did not meet that requirement at the time the licence was issued, or at a later time,
  - (b) has breached or is in breach of a term, condition or restriction of the licence of the licensee,
  - (c) has made a material misstatement in the application for the licence of the licensee or in reply to an inquiry addressed under this Act to the licensee,
  - (d) has refused or neglected to make a prompt reply to an inquiry addressed to the licensee under this Act,
  - (e) has contravened section 79, 94 or 177, or
  - (e.1) has contravened a prescribed provision of the regulations,
- then the council by order may do one or more of the following:
- (f) reprimand the licensee or former licensee;
  - (g) suspend or cancel the licence of the licensee;
  - (h) attach conditions to the licence of the licensee or amend any conditions attached to the licence;
  - (i) in appropriate circumstances, amend the licence of the licensee by deleting the name of a nominee;

- (j) require the licensee or former licensee to cease any specified activity related to the conduct of insurance business or to carry out any specified activity related to the conduct of insurance business;
  - (k) in respect of conduct described in paragraph (a), (b), (c), (d), (e), or (e.1), fine the licensee or former licensee an amount
    - (i) not more than \$20 000 in the case of a corporation, or
    - (ii) not more than \$10 000 in the case of an individual.
- (2) A person whose licence is suspended or cancelled under this section must surrender the licence to the council immediately.
- (3) If the council makes an order under subsection (1)(g) to suspend or cancel the licence of an insurance agent, or insurance adjuster, then the licences of any insurance salesperson employed by the insurance agent, and of any employees of the insurance adjuster are suspended without the necessity of the council taking any action.
- (3.1) On application of the person whose licence is suspended under subsection (1)(g), the council may reinstate the licence if the deficiency that resulted in the suspension is remedied.
- (4) If an insurance agent's licence or an insurance adjuster's licence is reinstated, the licences of any insurance salespersons or employees of the insurance adjuster who
  - (a) were employed by that agent or adjuster at the time of the suspension, and
  - (b) remain employees of that agent or adjuster at the time of reinstatement,are also reinstated without the necessity of the council taking any action.

**Section 241.1 of the Act**

**Part 7 – Administration of the Regulation of Financial Institutions**

**Division 2 – Insurance Council of British Columbia**

**Assessment of Costs**

- (1) If an order results from an investigation or hearing, the commission, the superintendent or the council may by order require the financial institution, licensee, former licensee or other person subject to the order to pay the costs, or part of the costs, or either or both of the following in accordance with the regulations:
- (a) an investigation;
  - (b) a hearing.
- (2) Costs assessed under subsection (1)
- (a) must not exceed the actual costs incurred by the commission, superintendent or council for the investigation and hearing, and
  - (b) may include the costs of remuneration for employees, officers or agents of the commission, superintendent or council who are engaged in the investigation or hearing.
- (3) If a person fails to pay costs as ordered by the date specified in the order or by the date specified in the order made on appeal, if any, whichever is later, the commission, superintendent or council, as the case may be, may file with the court a certified copy of the order assessing the costs and, on being filed, the order has the same force and effect and all proceedings may be taken on the order as if it were a judgment of the court.



ANALYSIS

Council found the above-mentioned facts constituted a breach of section 231(1)(a) of the Act in that the Licensee failed to act in a trustworthy manner, in good faith and within the usual practice of the business of insurance. Specifically, Council determined that the Licensee abused his position as an insurance salesperson for personal benefit by processing the 163 Autoplan transactions on his own and his wife's vehicles over a 26-month period. Council also concluded that the Licensee had falsely executed insurance documents by signing on behalf of his wife, the insured, without proper authorization, and had made a material misstatement to ICBC regarding the insurance claim.

Based on the evidence before it, Council concluded that the Licensee processed the 163 Autoplan transactions on his own and his wife's vehicles in order to save on insurance premiums, as well as to gain extra commissions. Council accepted that the Licensee had the use of another insured vehicle and did not want to insure both his own and his wife's vehicles at the same time. However, Council did not find it credible that the Licensee had processed the transactions solely for the purpose of saving on premiums. Council concluded that he was motivated by commissions as well, since he was remunerated by way of commissions only and was well aware that he would be earning a commission on each new plate transaction and on each storage policy he processed. From these transactions alone, the Licensee earned in excess of \$4,700.00. This, along with the reward points earned on his credit card, was found to be an additional benefit to saving on insurance premiums. As the Licensee later noted himself, to avoid any conflict of interest and wrongdoing, he ought to have gone to another agency to have the transactions completed. Moreover, Council observed that the other options available to the Licensee, such as purchasing TOPs or insuring both vehicles in his name, were not only more expensive for the Licensee, as he had pointed out, but would not generate as high of a commission as the new plate transactions did. The Licensee was aware that new plate policies and renewals generated the highest commissions.

Council considered the Licensee's submission that, because ICBC had not advised him to the contrary and its system allowed him to process the transactions, he believed that they were acceptable to ICBC. Council rejected this argument and felt that, as an insurance salesperson who had been licensed for seven years, he knew or ought to have known that frequently processing transactions to save on premiums as well as to generate commissions for himself would not only be contrary to ICBC guidelines but to Council's Code of Conduct. Furthermore, Council did not find it reasonable that the Licensee would place the onus on ICBC to advise him of the difference between proper and improper conduct. The Licensee could not deflect blame in such a manner. Council determined the Licensee, in processing 163 transactions on his own and his wife's personal vehicles for the purposes of saving premiums and earning commissions, knowingly or recklessly prejudiced the interests of ICBC for personal gain.

With respect to the Autoplan documents that the Licensee admittedly signed on behalf of his wife without proper written authorization, Council determined that he failed to act in a trustworthy manner and in accordance with the usual practice of the business of insurance, as

required by Rule 3(2) of the *Council Rules*. The proper execution of insurance documents is a fundamental component of every insurance transaction. By signing Autoplan documents in his wife's name and processing these documents knowing that they had been falsely executed, the Licensee misrepresented material facts to ICBC that could have been detrimental to both ICBC and his wife. Although Council accepted that his wife was aware of and may have consented to the Licensee's actions in this regard, it did not find this to be mitigating. Rather, Council found that the Licensee failed to understand that, regardless of the element of trust between him and his wife, it was the contractual relationship between his wife, as the insured, and ICBC that was put in jeopardy as a result of his actions.

Furthermore, Council took into consideration that the Licensee had been licensed as an insurance salesperson for seven years and had over 15 years experience as a real estate agent. Someone with that kind of experience and knowledge in handling important legal documents ought to have known that it is never proper to falsely execute such documents.

On the issue of the misstatement the Licensee made to ICBC with respect to an insurance claim following his involvement in a motor vehicle accident, Council found that he again demonstrated untrustworthy behaviour. The Licensee lied to ICBC in the hopes of avoiding liability for the accident. As the Licensee later admitted, he made the misstatement because he did not think ICBC would accept [REDACTED] statement if it was known that he was friends with him. Council found that the Licensee's misstatement to ICBC compounded his existing misconduct and further damaged his credibility.

Council reviewed previous decisions for similar misconduct and found that the facts in the *Kenneth Lau et al.* and *Apex Insurance Services Ltd. et al.* most closely mirrored those in this case with respect to the excessive transactions. In those cases, Council found that the licensees in question processed unnecessary Autoplan transactions on their own or other family members' vehicles for the primary purpose of generating extra commissions and fees for the three associated agencies, of which they were the sole shareholders. In light of the excessive number of transactions involved, 939 over a four-year period, Council could not distinguish between those transactions processed in order to save on premiums from those processed to maximize commissions. In reaching a decision as to the appropriate discipline for each of the licensees, Council took into account their experience and participation in the matter. Two of the nominees were suspended for six months, fined \$10,000.00 and had their licences downgraded to Level 2 insurance agents. The other nominee received a nine-month suspension, a \$5,000.00 fine and had her licence downgraded to a Level 2 licence. Two other licensees, a Level 1 salesperson and a Level 2 agent, were both fined \$1,000.00 each as it was found that they had been acting under the direction of the nominees and had not processed as many transactions as the nominees had.

Council noted some distinguishing features in the *Lau* and *Apex* cases. There, the evidence clearly demonstrated that the transactions were processed for no other reason than to generate commissions. Some of the transactions in that case included rate class changes, third party liability changes and other coverage changes processed within the same day and sometimes within hours of one another. As well, the number of transactions was far higher than in the case

at hand. Here, the Licensee only processed new plate policies, cancellations and storage policies every two to three weeks. Notwithstanding, the Licensee acted independently and although he did not have nearly as high a number of transactions, he clearly stood to gain, in many aspects, from each of the 163 transactions he did process.

Council also looked to decisions made by other professional regulatory bodies and noted that in *The Law Society of Upper Canada v. Lennon*, a solicitor was found to have, on 53 separate days, billed the Ontario Legal Aid Plan more than 24 billable hours per day. He was found guilty of over-billing and was suspended for a period of one year, in addition to being subject to a re-education requirement.

In *Re: Greenspan*, a decision of the Ontario Institute of Chartered Accountants, a member was found guilty on one charge of failing to maintain a good reputation to the profession, failing to hold himself free of any influence, and receiving and bargaining for and acquiring fees and remuneration without his employer's knowledge or consent. In particular, while engaged to review financial statements of a client company, he received payment from the client of \$10,000.00 over and above the amount earned and charged by his firm for professional fees. Over time, he received benefits in the approximate amount of \$35,000.00 without his employer's knowledge. He was suspended from membership for nine months and fined \$3,000.00.

Council found these two additional cases of relevance to the instant case in that the Licensee was also remunerated by way of commissions that he ought not have been entitled to earn. These monetary gains were at the expense of ICBC, who did not learn of the matter until a later date.

With respect to the false execution of insurance documents, Council reviewed the two recent corresponding decisions of the Financial Services Tribunal ("FST") in *The Superintendent of Financial Institutions v. The Insurance Council of B.C. and Yu Xuan Liu* and *The Superintendent of Financial Institutions v. The Insurance Council of B.C. and Zongli Wang*. In those two cases, the licensees were found to have forged their client's signature on an insurance document, and then falsely witnessed the signature. In doing so, the licensees thought they were acting in the best interests of the client. The acts of falsely executing and witnessing an insurance document, in addition to providing the client with altered policy illustrations, garnered the licensees two-month suspensions in addition to fines of \$1,000.00 each. However, it should be noted that the FST did not break down the penalty to correspond to each specific act of misconduct.

In addressing the issue of the Licensee's misstatement to ICBC regarding his insurance claim, Council relied upon the recent Council decision of *Sheryl Katherine Biesick*. In that case, the licensee failed to physically sight two out-of-province commercial vehicles prior to registration. Like the case at bar, the licensee was then untruthful to ICBC about the matter, stating that she had sighted the vehicles. The licensee later admitted to ICBC, on her own accord, that she had lied. The licensee did not engage in the misconduct for personal gain, but consciously chose not to follow ICBC guidelines. Council imposed a \$2,000.00 fine on the licensee. In the instant case, the Licensee did not admit to his misstatement on his own volition, but only acknowledged that his statement was untrue when he was later confronted by ICBC. Further, the Licensee's

misstatement was for personal benefit, as he hoped to evade any liability on his part for the motor vehicle accident.

Council, as the body which regulates members of the insurance industry, has a definitive role in imposing sanctions on its licensees where necessary. In *Regulations and Professions in Canada*, James T. Casey states:

Given that the primary purpose of the legislation governing professionals is the protection of the public, it follows that the fundamental purpose of sentencing for professional misconduct is also to ensure that the public is protected from acts of professional misconduct.

...

A number of facts are taken into account in determining how the public might best be protected, including specific deterrence of the member from engaging in further misconduct, general deterrence of other members of the profession, rehabilitation of the offender, punishment of the offender, isolation of the offender, the denunciation by society of the conduct, the need to maintain the public's confidence in the integrity of the profession's ability to properly supervise the conduct of its members, and ensuring that the penalty imposed is not disparate with penalties imposed in other cases.

In considering the appropriate disposition for the Licensee, Council took into account several factors in implementing the above-noted principles. Council did not find it mitigating that the Licensee did not have any prior disciplinary history. The Licensee only works part-time in the insurance industry, with his primary profession being in real estate, and he services only those clients that are known or referred to him. Despite his limited commitment to the industry, the Licensee is extremely knowledgeable about ways in which to manipulate the ICBC system, done solely for the purposes of personal benefit and profit.

Council found that the Licensee's actions, from the excessive transactions, to the false execution of insurance documents and the misstatement to ICBC, amounted to a serious breach of trust. The Licensee knowingly and intentionally abused his position as an insurance salesperson for personal and monetary gain. Council was of the view that he still did not fully understand the seriousness of his misconduct and the harm he could have caused to ICBC. While he admitted to some of his actions, the Licensee nonetheless argued that, at the time, he did not think what he was doing was wrong. He also attempted to deflect blame on ICBC. Based on the foregoing, Council concluded that the Licensee posed an ongoing risk to the public and accordingly, did not find him suitable to be licensed as an insurance agent. Council intends to order that the Licensee's insurance licence be cancelled for a minimum period of one year. At the end of one year, the Licensee may reapply for a licence, at which time his suitability will be reviewed again. Council also found that a \$5,000.00 fine assessed against the Licensee was fitting under the circumstances.

In arriving at its decision, Council found the *Kenneth Lau* and *Apex* cases to be relevant, although the Licensee's conduct with respect to the multiple transactions was not quite as egregious. Council also considered the penalty imposed on the members in the *Lennon* and *Greenspan* cases to be of relevance. However, Council found it necessary to consider and apply the *Liu*, *Wang*, and *Biesick* decisions, in light of the Licensee's other acts of misconduct. Taken

cumulatively, Council determined that the one-year cancellation of the Licensee's licence and the \$5,000 fine was appropriate.

Seeing as this matter closely follows the *Kenneth Lau* and *Apex* decisions, Council felt that a stronger message was needed to alert other members of the insurance industry that this type of behaviour will not be tolerated. As well, Council found that a one-year time period prohibiting the Licensee from working in the industry, along with the \$5,000.00 fine, would act as a sufficient deterrent for the Licensee such that he will not engage in the same or similar conduct in the future. Council hopes that this period away from the industry will serve not only to protect the public, but also as a rehabilitation mechanism for the Licensee such that in the future, in his capacity as an insurance salesperson, a real estate agent, or otherwise, he will conduct business in an honest and trustworthy manner.

#### INTENDED DECISION

Pursuant to sections 231, 236 and 241.1 of the Act, Council intends to order the following:

1. that the Licensee's licence be cancelled and that he is not suitable to hold an insurance licence for a minimum period of one year from the date Council's order takes effect;
2. that the Licensee be fined \$5,000.00;
3. that the Licensee pay half the costs of Council's investigation into this matter assessed at \$1,181.25; and
4. as a condition of this decision, the Licensee is required to pay the above mentioned fine and costs prior to any reinstatement of his licence.

The intended decision will take effect on **October 27, 2007**, subject to the Licensee's right to request a hearing before Council pursuant to section 237 of the Act.

#### RIGHT TO A HEARING

If the Licensee wishes to dispute Council's findings or its intended decision, he may present his case at a hearing before Council where he may be represented by legal counsel. 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 by **October 27, 2007**. 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.

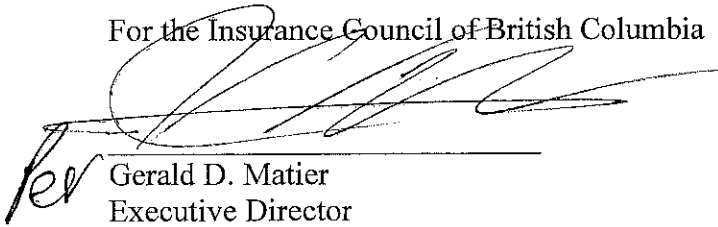
Even if this decision is accepted by the Licensee, pursuant to section 242(3) of the Act, the Financial Institutions Commission still has a right to appeal this decision of Council to the FST. The Financial Institutions Commission has 30 days to file a Notice of Appeal, once Council's

decision takes effect. For more information respecting appeals to the FST, please visit their website at [www.fic.gov.bc.ca/fst/](http://www.fic.gov.bc.ca/fst/) or contact them directly at:

Suite 1200 - 13450 102nd Avenue  
Surrey, BC  
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Dated in Vancouver, British Columbia on the 2<sup>nd</sup> day of October, 2007.

For the Insurance Council of British Columbia

  
Gerald D. Matier  
Executive Director