

**In the Matter of**

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

**and**

**The *INSURANCE COUNCIL OF BRITISH COLUMBIA***  
**(“Council”)**

**and**

**PREETPAL SANGHA**  
**(the “Licensee”)**

**ORDER**

As Council made an intended decision on June 16, 2014, 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 June 25, 2014; and

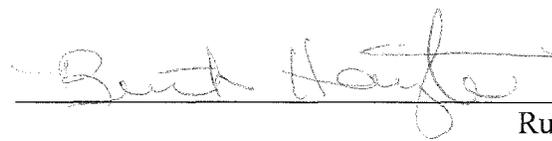
As the Licensee has not requested a hearing of Council’s intended decision within the time period provided by the Act;

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

1. The Licensee is fined \$2,000.00.
2. The Licensee is assessed Council’s investigative costs of \$537.50.
3. A condition is imposed on the Licensee’s general insurance licence that requires him to pay the above-ordered fine and investigative costs no later than **October 15, 2014**. If the Licensee does not pay the ordered fine and investigative costs by this date, and if they remain unpaid as of **November 13, 2014** (the suspension of his general insurance licence imposed under sections 231 and 238 of the Act is completed at midnight on November 13, 2014), the Licensee’s licence will remain suspended and the Licensee will not be permitted to complete any annual filing, until such time as the ordered fine and costs are paid in full.

Order  
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This order takes effect on the **15<sup>th</sup> day of July, 2014.**



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Ruth Hoyte  
Chairperson, Insurance Council of British Columbia

## **INTENDED DECISION**

of the

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

**respecting**

**PREETPAL SANGHA**  
(the “Licensee”)

### **INTRODUCTION**

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.

On June 9, 2014, a Review Committee (the “Committee”) met with the Licensee and his legal counsel to discuss allegations that he failed to disclose criminal charges and the subsequent conviction, as required by Council Rules.

A report of the Committee was considered by Council at its June 16, 2014 meeting. At the conclusion of its meeting, Council determined the matter should be disposed of in the manner set out below.

### **PROCESS**

Pursuant to section 237 of the Act, Council must provide written notice to the Licensee of the action it intends to take under section 231 of the Act before taking any such action. The Licensee may then accept Council’s intended decision or request a formal hearing. This decision serves as written notice of Council’s intended decision, its reasons, and the Licensee’s right to request a hearing before Council.

### **FACTS**

The Licensee has been licensed as a Level 1 general insurance salesperson (“Salesperson”) since November 7, 2008. In May 2011, the Licensee was charged with four counts under the Criminal Code of Canada. On September 13, 2013, the Licensee pleaded guilty to uttering threats to cause death or bodily harm and, on May 7, 2014, he was sentenced to four months in jail followed by 18 months of probation.

The Licensee did not report the charges or the conviction to Council within five business days, as required under Council Rule 7(3)(a)(iv). Further, the Licensee signed and submitted annual filing forms for 2011, 2012, and 2013, in which he confirmed he was in compliance with all Council Rules, including “*all mandatory disclosures to Council,*” despite having failed to disclose the charges at the time of each filing.

### **Submissions of the Licensee**

The Licensee submitted that he did not disclose the charges and conviction in the required timeframes because he was not aware of the requirements of Council Rule 7(3), and was focused on dealing with the criminal charges against him. With respect to the annual filings, the Licensee submitted that because he was not aware of the requirements of Council Rule 7(3), he was not aware that he was not in compliance with all mandatory disclosures as set out in the three relevant filings.

### **DISPOSITION**

Council found the above-mentioned facts constituted a breach of Council Rule 7(3) for failing to notify Council within five business days of the May 2011 charges and subsequent conviction. As a result, Council found that the Licensee made a material misstatement on his annual filings for 2011, 2012, and 2013, in which he confirmed he was in compliance with all Council Rules, including “*all mandatory disclosures to Council.*”

Council accepted that it was not the Licensee’s intention to hide the charges or conviction from Council, and that the breaches occurred due to his failure to familiarize himself with Council Rules. However, it is Council’s position that it is the Licensee’s responsibility to be aware of, and comply with, Council Rules. Further, Council noted that the Licensee completed three successive annual filings, where he confirmed he had made all mandatory disclosures to Council, but made no effort to determine or familiarize himself with his disclosure requirements before doing so.

Council considered that a fine of \$2,000.00 and the assessment of investigative costs was appropriate to address the Licensee’s failure to comply with Council Rule 7(3) regarding the charges and conviction, and his misstatement on three annual filings. In determining the amount of the fine, Council determined the Licensee’s initial failure to disclose under Council Rule 7(3), as well as the non-disclosure that coincided with his annual filings in 2011, 2012 and 2013, each warranted a \$500.00 fine.

## **INTENDED DECISION**

Pursuant to section 231 of the Act, Council made an intended decision to:

1. Fine the Licensee \$2,000.00.
2. Assess the Licensee Council's investigative costs of \$537.50.

The Licensee is advised that should the intended decision become final, the fine and costs will be due and payable within 90 days of the date of the order. If the fine and costs are still outstanding after the 90 days, the Licensee will not be permitted to complete any annual filing until such time as the fine and costs are paid in full.

If the ordered fine and costs are still outstanding once the Licensee's licence suspension is served, the Licensee's licence will remain suspended until such time as the fine and costs are paid in full.

## **RIGHT TO A HEARING**

If the Licensee wishes to dispute Council's findings or its intended decision, the Licensee may have legal representation and present a case at 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 by **July 14, 2014**. 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 by **July 14, 2014**, the intended decision of Council will take effect.

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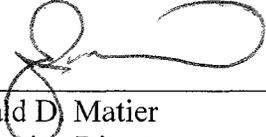
Even if this decision is accepted by the Licensee, pursuant to section 242(3) of the Act, the Financial Institutions Commission still has a right to appeal this decision of Council to the Financial Services Tribunal ("FST"). The Financial Institutions Commission has 30 days to file a Notice of Appeal, once Council's decision takes effect. For more information respecting appeals to the FST, please visit their website at [www.fst.gov.bc.ca](http://www.fst.gov.bc.ca) or contact them directly at:

Financial Services Tribunal  
PO Box 9425 Stn Prov Govt  
Victoria, British Columbia  
V8W 9V1

Reception: 250-387-3464  
Fax: 250-356-9923  
Email: [FinancialServicesTribunal@gov.bc.ca](mailto:FinancialServicesTribunal@gov.bc.ca)

Dated in Vancouver, British Columbia, on the **25<sup>th</sup> day of June, 2014.**

For the Insurance Council of British Columbia



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Gerald D. Matier  
Executive Director

GM/tp