

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

and the

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

and

**HOLLISWEALTH ADVISORY SERVICES INC. / SERVICES FINANCIERS**  
(the “Former Agency”)

and

**RICHARD BURJOSKI**  
(the “Former Nominee”)

**ORDER**

As Council made an intended decision on January 22, 2019, pursuant to sections 231 and 236 of the Act; and

As Council, in accordance with section 237 of the Act, provided the Former Agency and the Former Nominee with written reasons and notice of the intended decision dated February 5, 2019; and

As the Former Agency and Former Nominee have not requested a hearing of Council’s intended decision within the time period provided by the Act;

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

1. the Former Nominee is reprimanded; and
2. the Former Agency is fined \$20,000, to be paid on or before June 3, 2019.

This order takes effect on the **5<sup>th</sup> day of March, 2019.**

  
\_\_\_\_\_  
Ken Kukkonen  
Chairperson, Insurance Council of British Columbia

**INTENDED DECISION**

**of the**

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

**respecting**

**HOLLISWEALTH ADVISORY SERVICES INC. / SERVICES FINANCIERS**  
(the “Former Agency”)

and

**RICHARD BURJOSKI**  
(the “Former Nominee”)

Pursuant to section 232 of the *Financial Institutions Act* (the “Act”), Council conducted an investigation to determine whether the Former Agency and Former Nominee acted in compliance with the requirements of Council Rule 7(3)(a)(i), as follows:

**Rule 7 Licence Conditions**

*Applicable to All Classes of Licences*

...

- (3) A licensee must notify Council within 5 business days:
  - (a) where the licensee or any business the licensee owns or has participated in as a director, officer or partner:
    - (i) is disciplined by any financial sector regulator, or any professional or occupational body;

...

In August 2017, the Former Agency was acquired by Investia Financial Services Inc. (“Investia”) and, in September 2017, the Former Nominee ceased to represent the Former Agency. However, the material facts that led to Council’s investigation and this intended decision occurred before the Former Agency was acquired.

As part of Council’s investigation, on May 14, 2018, a Review Committee met with the Former Agency’s representatives and legal counsel to discuss the allegation that the Former Agency failed to notify Council of disciplinary action taken by a financial regulator against the Former Agency, as required under Council Rule 7(3)(a)(i).

Prior to the Committee's meeting with the Former Agency's representatives, an investigation report was distributed to the Committee, the Former Agency's representatives and the Former Nominee for review. A discussion of this report took place at the meeting and the representatives were provided an opportunity to make further submissions. The Former Nominee did not attend the meeting, although Investia's nominee did. Having reviewed the investigation materials and discussing this matter with the Former Agency's representatives, the Committee prepared a report for Council.

The Committee's report, along with the aforementioned investigation report, were reviewed by Council and it was 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 Former Agency and Former Nominee of the action it intends to take under sections 231 and 236 of the Act before taking any such action. The Former Agency and Former Nominee 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 Former Agency and the Former Nominee.

## **FACTS**

The Former Agency was domiciled in Ontario and was granted a life and accident and sickness insurance agent ("Life Agent") licence with Council in December 2008. Investia's acquisition of the Former Agency in August 2017 resulted in the termination of the Former Agency's Life Agent licence.

The Former Nominee is also domiciled in Ontario. He was licensed in British Columbia as a Life Agent from February 2004 to February 2006 when his licence expired. In June 2011, the Former Nominee was re-licensed as a Life Agent with Council and acted as nominee of the Former Agency until it was acquired by Investia. He is currently licensed as a Life Agent in Alberta, Saskatchewan, Manitoba, Ontario, Newfoundland, Nova Scotia and New Brunswick but not British Columbia.

While conducting a standard review of disciplinary decisions made by other regulatory bodies, Council staff determined that, in November 2015, the Former Agency was disciplined by the Mutual Fund Dealers Association of Canada (the "MFDA"). However, Council had not been notified of the MFDA disciplinary action, as required under Council Rule 7(3)(a)(i). When contacted, the Former Nominee advised staff that the failure to notify was an oversight.

Council staff also learned that, in July 2016, the Former Agency entered into a settlement agreement with the Ontario Securities Commission (the "OSC"). However, Council had not been notified of the OSC settlement agreement, as required under Council Rule 7(3)(a)(i). The Former Nominee advised Council staff that, because the settlement was voluntary and the Former

Agency agreed to reimburse affected clients, the OSC determined that no disciplinary action was necessary. As such, he (mistakenly) thought Council did not need to be notified.

Council staff further learned that, in March 2017, the Former Agency entered into a settlement agreement with the MFDA. Council was again not notified, contrary to the requirements under Council Rule 7(3)(a)(i). The Former Nominee accepted that there had been a failure to notify Council and that the Former Agency's existing procedures had failed. He advised Council staff that steps would be taken to revise the procedures to ensure that all required notifications were sent to other regulators.

When questioned by the Committee regarding the Former Agency's failure to notify on these three occasions, the Former Agency's legal counsel confirmed that the information set out in the investigation report was accurate. The Former Agency's legal counsel stated that these were "legacy issues" and noted that the Former Agency's non-compliance with the notification rule occurred prior to Investia's acquisition of the Former Agency.

The Former Nominee did not participate in the meeting before the Committee but submitted a letter to Council apologizing and stating that the Former Agency's "institutional memory and existing process failed". The Former Agency's legal counsel submitted that this was a case of a British Columbia nominee being unaware of non-insurance discipline in other provinces, rather than an intentional withholding of information. The Former Agency's legal counsel further advised that new protocols were in place to ensure compliance.

## **ANALYSIS**

Pursuant to the principle set out in section 13 of Council's Code of Conduct, Licensees are expected by Council to adhere to all regulatory requirements.

Pursuant to the principle set out in section 12 of the Code of Conduct, licensees benefit from a degree of self-regulation under the Act, in that they are able to participate in the regulation of their industry. This privilege requires the co-operation and support of licensees.

With these principles in mind, Council considered the actions and submissions of the Former Agency and the Former Nominee.

With respect to the Former Agency, Council found that the Former Agency had failed to report multiple instances of discipline by other regulatory bodies, contrary to Council Rule 7(3)(a)(i). Council concluded that, due to the repetitive nature of the breaches, the maximum fine against the Former Agency is warranted.

With respect to the Former Nominee, while Council accepted that he was unaware of the discipline against the Former Agency by other regulatory bodies, it is important to reinforce the personal responsibility of nominees. Therefore, Council determined that the Former Nominee

Intended Decision

Holliswealth Advisory Services Inc. / Services financiers and Richard Burjoski

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ought to be reprimanded. Council also determined it would not consider any future licence application from the Former Nominee until such time as he has completed the Council Rules Course.

## **INTENDED DECISION**

Pursuant to sections 231 and 236 of the Act, Council made an intended decision to:

1. Fine the Former Agency \$20,000.00; and
2. Reprimand the Former Nominee.

The Former Agency is advised that should the intended decision become final, the fine is due and payable within 90 days of the date of Council's order.

Subject to the licensees' 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.

## **RIGHT TO A HEARING**

If the former licensees wish to dispute Council's findings or its intended decision, they 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 former licensees 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 former licensees do not request a hearing **within fourteen (14) days of receiving this intended decision**, the intended decision of Council will take effect.

Even if this decision is accepted by the former licensees, 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 [fst.gov.bc.ca](http://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

Intended Decision

Hollisweath Advisory Services Inc. / Services financiers and Richard Burjoski

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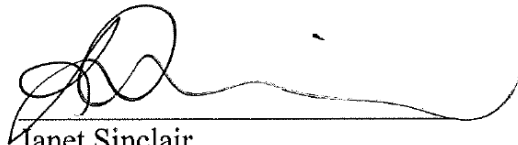
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Fax: 250-356-9923

Email: [FinancialServicesTribunal@gov.bc.ca](mailto:FinancialServicesTribunal@gov.bc.ca)

Dated in Vancouver, British Columbia, on the 5<sup>th</sup> day of February, 2019.

For the Insurance Council of British Columbia

A handwritten signature in black ink, appearing to read 'Janet Sinclair', written over a horizontal line.

Janet Sinclair

Executive Director

604-695-2001

[jsinclair@insurancecouncilofbc.com](mailto:jsinclair@insurancecouncilofbc.com)