

In the Matter of

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

and

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

and

RICHARD JONES
(the “Licensee”)

and

THE RICHARD JONES FINANCIAL GROUP LTD.
(the “Agency”)

NOTICE OF HEARING

WHEREAS on April 25, 2023, Council made an intended decision, pursuant to sections 231, 236 and 241.1 of the Act regarding allegations that the Licensee and the Agency failed to comply with the Act, the Council Rules and Council’s Code of Conduct (the “Intended Decision”);

WHEREAS on June 12, 2023, Council provided the Licensee and the Agency with written reasons and notice of the Intended Decision, pursuant to section 237(2) of the Act; and

WHEREAS on June 23, 2023, the Licensee and the Agency requested a hearing before Council to dispute the Intended Decision pursuant to section 237(3) of the Act.

TAKE NOTICE that Council will hold a five-day hearing on **Monday, April 8, 2024** to **Friday, April 12, 2024** commencing on each day at **9:30 a.m.**, to determine:

1. Whether, with respect to the client and the transactions referenced in the Intended Decision, the Licensee breached section 3 (“Trustworthiness”), section 4 (“Good Faith”), section 5 (“Competence”), section 7 (“Usual Practice: Dealing with Clients”), section 8 (“Usual Practice: Dealing with Insurers”) and/or section 10 (Usual Practice: Dealing with the Public”) of Council’s Code of Conduct, Council Rules 2(18), 7(8), 7(9), and/or section 177(b) of the Act, by:

- a) signing documents in the name and on behalf of the client, in circumstances in which the Licensee did not have power of attorney or written authorization from the client to sign documents in the name and on behalf of the client;
- b) modifying information on the face of documents with respect to the client after the documents had been signed by the client;
- c) providing false confirmation about having witnessed the client affix his signature on documents;
- d) allowing the Licensee's assistant who worked at the Agency to provide false confirmation about having witnessed the client affix his signature on a document;
- e) failing to perform appropriate needs analyses for the client or prepare any written financial plan;
- f) failing to keep proper and adequate records, including of:
 - (i) any written financial plan or other record demonstrative of the preparation of needs analyses by the Licensee for the client,
 - (ii) the Licensee's dealings with and recommendations to the client, and
 - (iii) advice or warning to the client on the client's potential risk and cost exposures in following the Licensee's recommendations;
- g) failing to communicate with the client in writing to ensure understanding between the client and the Licensee regarding:
 - (i) the Licensee's assessments of the client's needs and the facts and assumptions based on which the Licensee made the assessments,
 - (ii) the Licensee's recommendations and ongoing advice to the client on product selection and management, and
 - (iii) the client's potential risk and cost exposures in following the Licensee's recommendations;
- h) making false or misleading statements to an insurer about the length of time that the Licensee had known the client and had been engaged by him; and
- i) conducting insurance business on behalf of the Licensee and the Agency under names which were not registered or approved by Council.

2. Whether, with respect to the client and the transactions referenced in the Intended Decision, the Agency breached section 3 (“Trustworthiness”), section 4 (“Good Faith”), section 5 (“Competence”) and/or section 10 (Usual Practice: Dealing with the Public”) of Council’s Code of Conduct, and Council Rules 2(18) and/or 7(8), by:
 - a) failing to properly supervise and instruct the Licensee’s assistant who worked at the Agency, and in particular by allowing the aforesaid individual to provide false confirmation about having witnessed the client affix his signature on a document; and
 - b) conducting insurance business under names which were not registered or approved by Council.

3. Whether the Licensee and/or the Agency should be subject to any disciplinary or other action in the circumstances; and if so, whether Council should do one or more of the following in accordance with sections 231, 236 and 241.1 of the Act:
 - a) reprimand the Licensee and/or the Agency;
 - b) suspend or cancel the licence(s) of the Licensee and/or the Agency;
 - c) attach conditions, or amend any attached conditions, to the licence(s) of the Licensee and/or the Agency;
 - d) require the Licensee and/or the Agency 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;
 - e) fine the Licensee an amount not more than \$25,000;
 - f) fine the Agency an amount not more than \$50,000;
 - g) require the Licensee and/or the Agency to pay the costs, or part of the costs, of Council’s investigation and/or of this hearing; and
 - h) take any other measures that Council deems appropriate under the Act.

AND FURTHER TAKE NOTICE THAT the Licensee and the Agency may be represented by legal counsel at the hearing, make submissions and lead evidence. Failure to attend the hearing may result in Council making a determination in the Licensee’s and/or the Agency’s absence. Council is required, in accordance with section 239 of the Act, to have its hearings open to the public. As such, if any member of the public is interested in attending this hearing, please contact Council’s staff lawyer Neal Nicholson at nnicholson@insurancecouncilofbc.com for information on how to do so.

Dated in Vancouver, British Columbia on the **28th day of February, 2024.**



Peter Jong, Chair of the Hearing Committee
Insurance Council of British Columbia

cc: Taymaz Rastin, counsel for the Insurance Council of British Columbia
Superintendent of Financial Institutions, British Columbia Financial Services Authority
Tom Newnham, counsel for the Licensee and Agency