

In the Matter of
THE FINANCIAL INSTITUTIONS ACT

(RSBC 1996, C. 141)

(the “Act”)

and

INSURANCE COUNCIL OF BRITISH COLUMBIA

(“Council”)

and

FS INSURANCE BROKERS INC.

(the “Agency”)

and

JOHN JOSEPH LEE III

(the “Nominee”)

AMENDED NOTICE OF HEARING

WHEREAS on April 30, 2024, Council made an Intended Decision, pursuant to sections 231, 236, and 241.1 of the Act regarding allegations that the Nominee and the Agency failed to comply with the Act, the Council Rules, and the Code of Conduct;

WHEREAS on June 18, 2024, Council provided the Nominee and the Agency with written reasons and notice of the Intended Decision pursuant to section 237(2) of the Act; and

WHEREAS on June 28, 2024, the Nominee 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 virtual five-day hearing on **Monday, May 26, 2025 through Friday, May 30, 2025**, commencing on each day at **9:30 a.m.**, to determine:

1. Whether, in relation to the clients, time periods, and matters described in the Intended Decision, the Nominee and/or the Agency breached Council Rules 7(6) and (9) and Code of Conduct sections 5 (“Competence”) and 7 (“Usual Practice: Dealing with Clients”) by:

- a. acting in a real, potential, or apparent conflict of interest by:
 - i. acting as an insurance agent,
 - ii. conducting insurance business,
 - iii. representing to its clients that it was acting as an insurance agent or conducting insurance business,
 - iv. or some combination of the above activities,

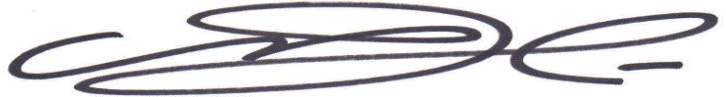
for strata council clients who were also clients of the Agency's affiliated strata property management company, FirstService Residential;

- b. acting in a real, potential, or apparent conflict of interest in connection with its agreement with BFL Canada Insurance Services, without providing adequate disclosure of the conflict to its strata council clients;
 - c. failing to keep books, records, and other documents necessary for the proper recording of insurance transactions and related financial affairs including initial needs analysis documents, know your client materials, notes of discussions with clients and "co-broker", and correspondence related to placing coverage;
 - d. failing to properly supervise licensees, including by having licensees report to unlicensed persons; and/or
 - e. in any other manner.
2. Whether 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, or 241.1 of the Act:
 - a. suspend the Agency's licence;
 - b. fine the Agency an amount not more than \$50,000;
 - c. attach conditions to the Agency's licence;
 - d. require the Agency to pay the costs of Council's investigation and/or of this hearing; and
 - e. take any other measures that Council deems appropriate.
 3. Whether the Nominee 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, or 241.1 of the Act:

- a. downgrade the Nominee's licence;
- b. attach conditions to the Nominee's licence;
- c. require the Nominee to engage in remedial education; and
- d. take any other measures that Council deems appropriate.

AND FURTHER TAKE NOTICE that the Nominee and 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 Nominee's and/or Agency's absence. Council is required, in accordance with section 239 of the Act, to have its hearing open to the public. As such, if any member of the public is interested in attending this virtual 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 13 **day of December, 2024.**



Nicole Federucci, Chair of the Hearing Committee
Insurance Council of British Columbia

- cc. Julia Lockhart and Allison McMahon, counsel for the Insurance Council of British Columbia
Superintendent of Financial Institutions, British Columbia Financial Services Authority
Rob Grant, K.C., counsel for the Nominee and the Agency