

In the Matter of

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

and

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

and

**EDWARD EARL CHIEDUCH
(the "Licensee")**

**DECISION AND ORDER
UNDER SECTIONS 231 & 238 OF THE ACT**

WHEREAS the Licensee is currently licensed as a life and accident and sickness insurance agent;

AND WHEREAS Council commenced an investigation pursuant to section 232 of the Act, relating to allegations the Licensee collected \$20,000.00 from a 28 year old male client ("Client A") and \$100,000.00 from a 60 year old female client ("Client B") for investment into separate individual variable annuity contracts and then, contrary to the clients' instructions, he directed their funds elsewhere;

AND WHEREAS Council's investigation has identified that to facilitate his dealings with the clients, the Licensee presented them with variable annuity applications, which were completed and signed by the Licensee and the clients; the applications denoted that the clients would be investing into a real estate income fund and would receive monthly income payments; the insurer, whose applications were used by the Licensee, has no record of these variable annuity investments; with the Licensee's assistance, Client A redeemed a portion of an existing variable annuity contract and gave the proceeds to the Licensee for the investment; following the death of Client B, the Licensee provided Client B's daughter with a promissory note which indicated that Chieduch Financial (an unlicensed name under which the Licensee holds himself out to the public) would be responsible for repayment of Client B's funds; and it does not appear that this type of conduct by the Licensee is limited to these two clients;

AND WHEREAS the Licensee has acknowledged that the funds collected from the clients were not invested with the insurer in accordance with the clients' understanding;

AND WHEREAS the Licensee indicated that the clients' funds were invested in a real estate income fund, however, he did not provide any information as to where these investments were held;

AND WHEREAS Council has determined there is sufficient evidence which establishes on a balance of probabilities that the Licensee is no longer suitable to hold an insurance licence; namely, that he is not trustworthy, competent, and/or financially reliable;

AND WHEREAS Council has determined that the Licensee poses an immediate risk to the public;

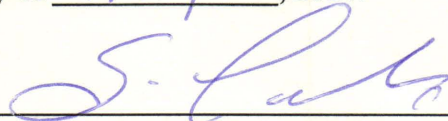
AND WHEREAS Council considers the length of time required to complete an investigation and make a decision pursuant to section 231 of the Act, would be detrimental to the due administration of the Act;

AND WHEREAS Council considers it to be in the public interest to cancel the Licensee's life and accident and sickness insurance agent's licence pursuant to section 231(1)(g) of the Act;

NOW THEREFORE Council orders the Licensee's life and accident and sickness insurance agent's licence is cancelled pursuant to sections 231 and 238 of the Act, effective the date of this order; and,

TAKE NOTICE that pursuant to section 238 of the Act, the Licensee has the right to require a hearing on this order before Council by delivering written notice within 14 days of receipt of this order to Council at Suite 300 - 1040 West Georgia Street, Vancouver, British Columbia, V6E 4H1; alternatively, the Licensee may appeal this order to the Financial Services Tribunal.

Dated in Vancouver, British Columbia, on the 11 day of MAY, 2010.



Graham Calder, CFP, CLU, ChFC, RHU
Chairperson, Insurance Council of British Columbia