

IN THE MATTER OF

The *FINANCIAL INSTITUTIONS ACT*

(R.S.B.C. 1996, c. 141)

(the “Act”)

and the

INSURANCE COUNCIL OF BRITISH COLUMBIA

(“Council”)

and

ALVINDER SINGH GILL

(the “Former Licensee”)

ORDER

Pursuant to section 237 of the Act, Council convened a hearing at the request of the Licensee to dispute an intended decision of Council dated February 21, 2023.

The Hearing Committee heard the matter on November 16, 2023.

The Hearing Committee then prepared its Reasons for Decision, dated February 26, 2024.

In accordance with the decision-making powers delegated to the Hearing Committee pursuant to section 223 of the Act, Council makes the following order:

- a) The Former Licensee is prohibited from applying for an insurance licence for a period of eight years, commencing on March 4, 2024, and ending at midnight on March 3, 2032;
- b) Fine the Former Licensee \$10,000, to be paid by June 3, 2024, and which amount must be paid prior to the Former Licensee being licensed in the future;
- c) The Former Licensee is assessed Council’s investigation costs in the amount of \$2,625, to be paid by June 3, 2024, and which amount must be paid prior to the Former Licensee being licensed in the future;
- d) The Former Licensee is prohibited from being a controlling shareholder, partner, officer or director of any licensed agency in British Columbia for a period of eight years, commencing on

March 4, 2024, and ending at midnight on March 3, 2032; and

- e) The Former Licensee is assessed hearing costs as presented in the Bill of Costs submitted by Council, being \$10,911.72, to be paid by June 3, 2024, and which amount must be paid prior to the Former Licensee being licensed in the future.

This order takes effect on the **4th day of March, 2024.**

A handwritten signature in black ink that reads "D Thorne". The signature is written in a cursive style with a large, looped initial "D".

Donna Thorne, Chair of Hearing Committee
Insurance Council of British Columbia

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ALVINDER SINGH GILL

(the “Former Licensee”)

Date: November 16, 2023
9:30 a.m.

Before: Donna Thorne Chair
Brett Simpson Member
Grace Kim Member

Location: By video-conference
Insurance Council of British Columbia
1400 – 745 Thurlow Street
Vancouver BC

Present: David McKnight/Anja Nel Counsel for Council
Alvinder Singh Gill Acting on his own behalf
Michael Shirreff Counsel for the Hearing Committee

REASONS FOR THE DECISION OF THE HEARING COMMITTEE

BACKGROUND

Overview

1. The Former Licensee was licensed with Council as a life and accident and sickness insurance agent (“Life Agent”) from July 19, 2001 until his licence was terminated on October 21, 2020.
2. In or around 2020, the Former Licensee received hundreds of thousands of dollars from two clients who believed, based on representations and promises made by the Former Licensee, they were investing in certain products offered by an insurance company.
3. During the period of the alleged investment, the Former Licensee provided documents and account statements to these clients which purported to provide updates on the performance of their investments. In one statement, dated August 5, 2020, the clients’ account balance was shown as \$421,493.68.
4. In fact, contrary to the representations made by the Former Licensee to his clients, and despite the documents that he provided to them, he had not purchased any insurance investments on their behalf. The investment scheme was a fraud. The Former Licensee took advantage of his clients and misappropriated their money. It remains unclear what the Former Licensee did with the money. At times during the insurer’s investigation, it was suggested that he had used the funds to invest in real estate, but there was no evidence adduced at the hearing confirming where the money went.
5. In September 2020, the clients commenced a civil fraud action against the Former Licensee. On June 9, 2021, a Consent Order was entered in that action, allowing the claim and confirming judgment against the Former Licensee in the amount of \$450,000.
6. The Former Licensee’s professional misconduct is incredibly serious. He stole his clients’ money. He acted dishonestly throughout his interactions with his clients and he misled them in a number of serious ways, including when he created and delivered falsified account statements to cover up his fraud.
7. The Former Licensee’s misconduct caused significant financial harm to his clients, who lost approximately \$450,000. As of the date of the hearing, the Former Licensee had not paid any of the money back.
8. There is no doubt that the Former Licensee misused and abused his position as an insurance licensee. In so doing, the Former Licensee flagrantly disregarded Council’s Rules and Code of Conduct. A significant penalty is required in these circumstances in order to communicate, not only to the Former Licensee, but to the insurance industry and the public at large, that misconduct of this nature will not be tolerated by Council.

9. As outlined below, the Committee has ordered that the Former Licensee be prohibited from applying for an insurance licence for a period of eight years; that he pay a \$10,000 fine (the maximum available at the time of the events); and that he also be ordered to pay both investigation and hearing costs in relation to this proceeding. These orders are described in further detail below.

Procedural history

10. On September 16, 2020, Council received a letter and Life Agent Reporting Form from an insurer advising that it had terminated the Former Licensee's contract as of September 14, 2020 because of fraud, misappropriation of client funds and misrepresentations by the Former Licensee.
11. On October 20, 2020, Council issued a decision and order under sections 231 and 238 of the Act. The Former Licensee's license was suspended until the investigation was completed and until Council could make a determination as to his suitability to hold a licence.
12. Council then undertook a lengthy and detailed investigation into the Former Licensee's conduct, which included a Review Committee meeting in November 2022. The investigation culminated in the preparation of an Intended Decision, dated February 21, 2023 (the "Intended Decision").
13. On March 14, 2023, Council provided the Former Licensee with written reasons and notice of the Intended Decision. On March 27, 2023, as was his right pursuant to the Act, the Former Licensee requested a hearing to dispute the Intended Decision.
14. On June 2, 2023, Council issued the Notice of Hearing, scheduling the hearing for two days on October 18-19, 2023. As the hearing dates approached, the Committee reached out to Council and the Former Licensee on a number of occasions to canvass whether there were any issues that needed to be addressed in advance of the hearing.
15. After some initial communications, on October 17, 2023, the Former Licensee delivered an application seeking to have the hearing adjourned. That application was argued the next day, on October 18, 2023, and the Committee agreed to an adjournment of the hearing until November 16-17, 2023. A written decision was prepared by the Committee with respect to the adjournment application. The additional time was provided, among other reasons, to allow the Former Licensee to consult legal counsel.
16. When the matter came back for hearing on November 16, 2023, the parties advised the Committee that they had reached agreement as to how to proceed without calling evidence. The Former Licensee confirmed that he was prepared to accept the facts set out in the Intended Decision. The Committee then heard submissions from the parties about the evidence contained in the Intended Decision, as well as the appropriate penalty. In addition to accepting the facts in the Intended Decision, the Former Licensee stated that he was agreeable to the proposed penalty therein (the Former Licensee

did take issue with Council's request that it receive its hearing costs, which is addressed in further detail below).

EVIDENCE

17. In light of the agreement that was reached by the parties, there were no witnesses called at the hearing.
18. Council introduced three exhibits: 1. the Intended Decision; 2. Council's Policy with respect to Assessing Investigation Costs and Hearing Costs (Policy J. 21); and 3. Council's Bill of Costs for this proceeding.
19. During the hearing, there was initially some uncertainty as to the process that was being contemplated by the parties. The Former Licensee characterized his position as being a "withdrawal of his request for a hearing".
20. Council took the position that it was incumbent in the circumstances for the Former Licensee to confirm, on the record before the Committee, that he was not challenging *any* facts set out in the Intended Decision. Although the Former Licensee did provide comments to the Committee about aspects of the Intended Decision that he may not have accepted in the past, he was very clear at the hearing that he understood what was happening and he was accepting all of the facts in the Intended Decision to be accurate and correct.
21. The Former Licensee's position on the facts set out in the Intended Decision was canvassed with him on a number of occasions by the Committee. He confirmed, repeatedly, that he understood the process and agreed that the facts set out in the Intended Decision were properly before the Committee by agreement with Council.

DECISION OF THE HEARING COMMITTEE

Findings

22. The Committee will not repeat all of the information contained in the Intended Decision, which is attached to this decision as **Schedule "A"**.
23. The Former Licensee's serious misconduct came to light in late September 2020, when Council received a report from an insurer which indicated that the Former Licensee's licensing contract had been terminated for fraud, misappropriation of client funds and misrepresentation.

24. Through its investigation, Council learned that the Former Licensee's clients had filed a complaint with the insurer in August 2020. The clients provided the insurer with investment account statements that contained the insurer's logo and contact information, which indicated on their face that the clients held significant investments with the insurer. These statements had been provided to the clients directly by the Former Licensee. The clients had not received the statements from the insurer.
25. As early as January 2020, the Former Licensee's clients had been asking him when their investments were set to mature. The clients wanted the money to be paid back. For many months, the Former Licensee texted and emailed his clients offering excuses as to why the funds could not be paid out. At one point, the Former Licensee falsely advised his clients that he had sent them a bank draft in the mail.
26. Finally, on August 26, 2020, the Former Licensee emailed his clients and said that he had made a bad investment which impacted the value of their investment products. The Former Licensee said that he could pay the clients a 100% refund in 30 days, but emphasized that if "control" was taken away from him and the matter was pursued by the clients through other channels, it could take years before the clients would be repaid.
27. When the Former Licensee was interviewed by the insurer on September 11, 2020, he acknowledged that his clients did not have any investments with the insurer. The Former Licensee instead suggested that he had obtained monies from his clients to invest in real estate. He admitted that he provided statements to his clients that contained the insurer's logo, but he suggested that these documents had only been used because of an "incorrect template".
28. On September 21, 2020, the insurer provided the Former Licensee's clients with a report on their findings. The insurer concluded that the clients had *never* held any investments with the insurer, and that the statements and documents provided by the Former Licensee to his clients had been falsified. The insurer also advised that the Former Licensee was claiming that the clients had invested with him in a real estate project, but noted that nothing had been provided to it by the Former Licensee to support that suggestion.
29. The clients immediately commenced a civil proceeding against the Former Licensee in fraud. On June 9, 2021, a consent order was entered allowing the claim and providing for judgment in the amount of \$450,000. On August 6, 2021, a certificate of judgment was entered confirming the judgment by consent in the amount of \$450,000.
30. The Former Licensee was uncooperative with the Council during the course of its investigation. There was an initial Council interview scheduled for November 10, 2022, which was postponed at the last-minute at the request of the Former Licensee. In late November 2022, the Former Licensee indicated to Council that he would provide documents about the underlying events. These documents were

never provided, despite multiple subsequent requests by Council. By the time of the Review Committee meeting in November 2022, the Former Licensee had not submitted any documentation or written responses to Council.

31. At the Review Committee meeting, the Former Licensee claimed that his clients knew they were investing their money in a real estate venture. The Former Licensee claimed that he was going to imminently repay \$450,000 to his clients in December 2022 and that he would be able to provide additional information to Council after he had repaid those funds. The Former Licensee admitted that the funds provided to his clients had *never* been deposited with an insurer. However, he maintained that the clients were aware of that. He did not explain why he created and delivered falsified statements to his clients.
32. Following the Review Committee meeting, the Former Licensee was given further time to provide additional documentation to Council. He had not taken Council up on that opportunity as of the date of the Council meeting on January 24, 2023, when the Intended Decision was finalized.

ORDERS OF THE HEARING COMMITTEE

33. In effect, the hearing proceeded by way of an agreement between the parties as to the underlying facts, with the material facts being set out in the Intended Decision.
34. As noted above, the parties also agreed as to the appropriate penalty that should result from the Former Licensee's misconduct.
35. The Committee treated the proposed penalty as being akin to a joint submission made by the parties as to the appropriate outcome and penalty based on the facts and admissions contained in the Intended Decision, all of which were adopted and accepted by the Former Licensee at this hearing.
36. The leading case that addresses the approach to be taken by courts when considering a joint submission of this nature is [R. v. Anthony-Cook, 2016 SCC 43](#). The legal test and principles in [Anthony-Cook](#) have been applied in a variety of administrative law settings in Canada.
37. In [Anthony-Cook](#), the Supreme Court of Canada discussed the factors that are to be weighed and considered when assessing a joint submission, which include certainty for the parties, eliminating the negative aspects involved in requiring witnesses to testify at a proceeding and creating general efficiencies in the system.
38. The public interest test articulated in [Anthony-Cook](#) requires the court to accept a joint submission unless the proposed sentence would bring the administration of justice into disrepute or is otherwise contrary to the public interest (at paras. 32 to 45). It is said that a joint submission will bring the

administration of justice into disrepute or be contrary to the public interest only if it is so “markedly out of line with the expectations of reasonable persons aware of the circumstances of the case that they would view it as a break down in the proper functioning of the criminal justice system”: [Anthony-Cook](#), at para. 33.

39. Although [Anthony-Cook](#) was decided in the criminal law context, the Committee is of the view that these considerations should also be applied to the circumstances in this proceeding. The principles articulated in [Anthony-Cook](#) are the lens through which the Committee has assessed the joint submission advanced by Council and the Former Licensee.
40. When the Committee considered the serious nature of the Former Licensee’s misconduct, including the aggravating factors associated with the quantum of money that he misappropriated; the fact that he has never repaid his clients; and the general lack of cooperation the Former Licensee exhibited throughout Council’s investigatory and discipline process, the Committee had no hesitation in concluding that the joint penalty proposed by the parties is fair and in keeping with Council’s public interest mandate. The Former Licensee’s misconduct was serious and a very significant penalty is required to meet Council’s mandate.
41. The Committee’s views were reinforced after reviewing the prior decisions referred to in the Intended Decision ([Bradbeer](#) (2018); [Dhillon](#) (2022); [Norris](#) (2019); [Draney](#) (2015); and [Allan](#) (2020)). Although no two situations are the same, the Committee was satisfied that the prior decisions also illustrated that the penalty proposed in this instance for the Former Licensee was right within the range of disciplinary sanctions previously ordered in matters involving serious misconduct by licensees.
42. Council is responsible for protecting the public and ensuring that licensees are competent and carry on the business of insurance in accordance with the usual practices in the industry. The primary purpose of the Act is the protection of the public. There must be significant penalties for dishonest licensees like the Former Licensee.
43. It is always with a view to the public interest that the Committee must assess the appropriate penalty to be ordered in a particular matter. In this matter, the Committee has carefully considered the submissions of both Council and the Former Licensee and has reviewed the agreed facts and the proposed penalty in the Intended Decision. In addition to the prior decisions noted above, the Committee has also been mindful of the broad principles to be considered when setting an appropriate administrative sanction ([Financial Services Commission v. The Insurance Council of British Columbia and Maria Pavicic](#), November 22, 2005).
44. In these circumstances, taking into account the serious nature of the misconduct, but also the aggravating circumstances noted above, the Committee accepts that the proposal put forward by the parties is appropriate and has concluded that the following orders should result:

- a) the Former Licensee is prohibited from applying for an insurance licence for a period of eight years, commencing on the date of this order;
- b) the Former Licensee is fined \$10,000, to be paid within 90 days of the date of this order, and which amount must be paid prior to the Former Licensee being licensed in the future;
- c) the Former Licensee is assessed Council's investigation costs in the amount of \$2,625, to be paid within 90 days of the date of this order and which amount must be paid prior to the Former Licensee being licensed in the future;
- d) the Former Licensee is prohibited from being a controlling shareholder, partner, officer or director of any licensed agency in British Columbia for a period of eight years, commencing on the date of this order; and
- e) the Former Licensee is assessed costs of the hearing as presented in the Bill of Costs submitted by Council, being \$10,911.72, again to be paid within 90 days of the date of this order and which amount must be paid prior to the Former Licensee being licensed in the future.


45. It is worth making a few comments on the costs ordered by the Committee.
46. With respect to the investigation costs, the Committee has concluded that the costs of the investigation were reasonably incurred by Council in light of the serious issues raised against the Former Licensee. It appeared to the Committee that Council's investigation followed the usual course and at the hearing, in response to direct questions from the Committee, the Former Licensee confirmed that he was not taking issue with the investigation costs sought by Council.
47. In terms of the costs of the hearing, Council presented its Bill of Costs in support of the amount ordered above. The Former Licensee again conceded that it was appropriate for there to be *some* order of hearing costs, but he took issue with the quantum of costs being sought by Council. Following the hearing, both parties were given the opportunity by the Committee to make further submissions with respect to hearing costs. Written arguments were exchanged.
48. The Former Licensee's position, in essence, was that the two hearing dates were not necessary in light of the fact that he communicated to Council by email on various occasions that he was willing to withdraw his request for a hearing and accept the factual underpinning and proposed penalty in the Intended Decision, which did not include a component for hearing costs. In support of his position, during a break in the hearing, the Former Licensee forwarded a number of lengthy email strings to the Committee. These emails were communications between the Former Licensee, Council and sometimes counsel for the Committee in the days leading up to both of the hearing dates.

49. The Former Licensee also took issue with certain items claimed by Council in its written submissions, suggesting in particular that Council was overstating aspects of its costs claims related to the length of time certain appearances took.
50. The Committee reviewed the Former Licensee's submissions closely, as well as the emails that were provided during the hearing. Despite the Former Licensees' characterization of his communications with Council, the Committee does not see the emails as evidencing a clear confirmation on the part of the Former Licensee that he was accepting the Intended Decision *in an unqualified manner* such that a hearing was not necessary. The first hearing was necessary because the Licensee applied at the last-minute for an adjournment. Even when the matter finally proceeded to hearing on November 16, 2023, the Former Licensee made submissions about aspects of the facts set out in the Intended Decision that he still described as requiring "edits".
51. At the outset of the hearing, as noted above, it was not clear if the Former Licensee was still challenging aspects of the Intended Decision. It was only after direct and careful questioning from the Committee that the Former Licensee confirmed that he was accepting *all* of the facts in the Intended Decision, as well as the penalty that was being proposed. Despite what the Former Licensee submits, his communications to Council do not allow for a reasonable conclusion that a hearing was not required. The Former Licensee received the Intended Decision in March 2023. He requested the hearing. The Former Licensee then sought a last-minute adjournment of the initial hearing date. It was only at the hearing on November 16, 2023 that Council and the Former Licensee were able to reach agreement on the facts and penalty to be proposed to the Committee. At most, the Former Licensee's emails with Council suggested that he *might* have been willing to enter into some sort of agreement that could potentially have avoided a hearing, but the emails were not definitive on the issue and the hearing was necessary.
52. Having concluded that it was appropriate and necessary in the circumstances for the matter to proceed to a hearing, the Committee reviewed the Bill of Costs submitted by Council, as well as its written submissions (which included supporting documentation). The Bill of Costs claimed preparation and attendance time for both hearing days – the adjournment application on October 18, 2023 and the ultimate hearing on November 16, 2023. In looking at what was claimed by Council in its Bill of Costs, the Committee noted that the amounts set out were consistent with the ordinary prescribed costs amounts set out in the Assessing Investigation Costs and Hearing Costs policy (Policy J. 21) published by Council.
53. An order of costs is an inherently discretionary matter. Council submits that there is no basis in this matter for there to be any reduction in the costs that have been claimed. Council notes that it is the self-funding regulator of the insurance industry in British Columbia takes the position that the costs to prosecute the misconduct of a licensee should not be borne by other innocent members of the insurance industry. The Committee accepts Council's submission on this point. The Former Licensee's

submissions do not cause the Committee any pause in concluding that Council should receive its hearing costs. The costs sought by Council are in keeping with Policy J.21 and Council provided the Committee with the back-up documents supporting all of the disbursements being claimed. In the result, as contemplated in section 241.1 of the Act, the Hearing Committee concluded that it was appropriate in this instance to make an order for that Council receive its full costs of the hearing in addition to costs of the investigation.

54. Finally, at the hearing, the Former Licensee also asked the Committee to delay publication of this decision until early in 2024. Council took the position that there was no authority in the Act that would allow delayed publication of a decision. Ultimately, it is unnecessary for the Committee to address the Former Licensee's request given that his decision is being published in early March 2024.

Dated at Vancouver, British Columbia, on the **26th day of February, 2024.**



Donna Thorne, Chair of the Hearing Committee

SCHEDULE "A"

INTENDED DECISION

of the

INSURANCE COUNCIL OF BRITISH COLUMBIA

(“Council”)

Respecting

ALVINDER SINGH GILL

(the “Former Licensee”)

1. Pursuant to section 232 of the *Financial Institutions Act* (the “Act”), Council conducted an investigation to determine whether the Former Licensee acted in compliance with the requirements of the Act, Council Rules, and Code of Conduct, and in particular to determine whether the Licensee breached Council Rules 7(2)(b) and (c) and 7(8), Code of Conduct section 3 (“Trustworthiness”); section 4 (“Good Faith”); section 5 (“Competence”); section 6 (“Financial Reliability”) and section 7 (“Usual Practice: Dealing with Clients”) of the Code of Conduct for misappropriating client funds, providing misrepresentations to clients, and failing to maintain client files and notes.
2. On November 22, 2022, as part of Council’s investigation, a Review Committee (the “Committee”) comprised of Council members met via video conference to discuss the investigation. An investigation report prepared by Council staff was distributed to the Committee and the Former Licensee prior to the meeting. A discussion of the investigation report took place at the meeting and the Former Licensee was given an opportunity to make submissions and provide further information. Having reviewed the investigation materials and discussed the matter with the Former Licensee, the Committee prepared a report for Council.
3. The Committee’s report, along with the aforementioned investigation report, were reviewed by Council at its January 24, 2023, meeting, where it was determined the matter should be disposed of in the manner set out below.

PROCESS

4. Pursuant to section 237 of the Act, Council must provide written notice to the Former Licensee of the action it intends to take under sections 231, 236 and 241.1 of the Act before taking any such action. The Former Licensee 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 Licensee.

FACTS

5. The Former Licensee was licensed with Council as a life and accident and sickness insurance agent (“Life Agent”) from July 19, 2001, until his licence was terminated on October 21, 2020.
6. On October 20, 2020, Council issued a decision and order under sections 231 and 238 of the *Financial Institutions Act*. The Former Licensee’s Life Agent licence was suspended until the investigation could be completed and until Council could determine the Former Licensee’s suitability to hold a licence.
7. On September 16, 2020, Council received a letter and Life Agent Reporting Form from an insurer advising that the Former Licensee’s contract had been terminated on September 14, 2020, for fraud, misappropriation of client funds and misrepresentation.
8. The insurer began investigating a complaint received from the complainants, D&S (“D&S”), on August 26, 2020. D&S alleged that they were told by the Former Licensee that they were investing in trust funds with an insurer; however, according to the insurer, D&S have never owned any of the insurer’s policies.
9. On August 26, 2020, the insurer’s internal investigation commenced when D&S made a complaint against the Former Licensee. D&S started investing with the Former Licensee around 2010 and were led to believe that their funds would be invested in the insurer’s “trust funds.” The statements they received showed the insurer’s logo and contact information. The Former Licensee would deliver the statements in person or via email through his personal email account or his business corporation, the GreyNote Group Financial Services or GreyNote Group (“GreyNote”).
10. D&S provided the insurer with a package dated September 5, 2020, which outlined their dealings with the Former Licensee. They provided various bank drafts, cheques and electronic fund transfer receipts showing payments made to the Former Licensee or GreyNote by D&S. D&S provided the Former Licensee at least \$200,125.00 over the years to invest in the insurer’s investment products.
11. D&S provided copies of the purported insurer account statements which were provided to them by the Former Licensee or through GreyNote.
12. D&S were in possession of an insurer statement dated August 5, 2020, which was provided by the Former Licensee, which showed an account balance of \$421,493.68. D&S also

provided emails, notes and text messages with the Former Licensee and correspondence to GreyNote. D&S had requested a statement of the funds that were set to mature and requested payment of these funds in January 2020. D&S provided several text messages and email exchanges following this request in which the Former Licensee and GreyNote provided various reasons why the funds were not made available to D&S, including ongoing health concerns of the Former Licensee and alleged issues with couriers and the mail. D&S were advised by the Former Licensee and GreyNote several times in the correspondence that a bank draft with the funds and statements of their accounts would be made available to D&S, however, issues with couriers and the mail were given as reasons to D&S as to why they could not collect the bank draft. This correspondence went on from January 2020 to August 2020. By August 2020, GreyNote continued to communicate via email to D&S, stating that the bank draft was in the mail and was shown as having arrived in Richmond but not logged at the distribution centre.

13. On August 26, 2020, the Former Licensee emailed D&S and stated that “[he] made a bad bet on an investment which brings down the actual values greatly. [He] can make [D&S] 100% whole in 30 days, but if this goes through other channels, that control is taken away from [him] and this could take years and a lot of [heartache]”.
14. It became clear at this point, that the money D&S had been requesting from the account was not available due to this alleged bad investment by the Former Licensee.
15. Between August 26, 2020, and August 29, 2020, the Former Licensee left nine voice messages for D&S. On numerous occasions, the Former Licensee maintained that he wanted to make “*this whole*” to D&S.
16. On September 11, 2020, the insurer conducted an interview with the Former Licensee. The Former Licensee advised the interviewer that he was the owner of GreyNote, which was first established in 2009 but was no longer operating. At the time of the interview, the Former Licensee advised that he had been registered with another insurer since 2014 or 2015. The Former Licensee confirmed that D&S were not clients of the insurer conducting the interview and said that he had obtained funds from D&S to invest in real estate. He also claimed that D&S were aware their funds were being invested in real estate. The Former Licensee admitted to providing investment statements to D&S with an insurer logo, but he claimed that he had used the “*incorrect template*” that had the insurer’s logo.
17. The insurer subsequently terminated the Former Licensee’s contract effective September 14, 2020.

18. On September 21, 2020, the insurer sent a letter to D&S to advise them that their review of the matter was complete and that the investment statements made by the Former Licensee had never existed as policy or product with the insurer. The insurer also determined that the investment statements with the insurer logo, provided by the Former Licensee, were falsified. The insurer advised D&S that the Former Licensee had claimed that D&S were aware that the funds provided to the Former Licensee were invested in real estate, and that the investment statements bearing the insurer's logo had been provided in error. The insurer was unable to confirm or determine if the funds were used in real estate investments. The insurer informed D&S that the matter had been reported to Council and that the insurer had no further role in the investigation.
19. On February 8, 2021, a second insurer sent a letter to Council that summarized their investigation of the Former Licensee. The second insurer had determined that D&S were never clients. On October 20, 2020, the second insurer requested an interview with the Former Licensee; however, he immediately terminated his contract with that insurer. The second insurer also advised that they had conducted an audit on the Former Licensee to determine whether he had referred or sold similar investments outside of their insurance and they did not identify any such business activity.
20. On September 25, 2020, D&S filed a Notice of Civil Claim in the Supreme Court of British Columbia alleging the Former Licensee committed civil fraud. On June 9, 2021, a Consent Order was entered allowing the claim and judgement in the amount of \$450,000. On August 6, 2021, a Certificate of Judgement was entered confirming D&S' judgement by consent against the Former Licensee in the amount of \$450,000.
21. Between October 21 and October 23, 2020, Council's Director, Professional Conduct (the "Director") corresponded with the Former Licensee by both email and telephone regarding the suspension order. In his conversations with the Director, the Former Licensee stated he had submitted a licence termination request to Council on October 13, 2020, prior to Council's October 20, 2020, suspension. The Former Licensee provided screenshots from his laptop, included in his email, showing that his termination request was sent to Council's Licensing department on October 13, 2020. The Former Licensee further advised he would be willing to bring his laptop to Council's office to show proof that his termination request had been submitted.
22. On October 21, 2020, the information technology ("IT") staff performed a search for all email correspondence sent from the Former Licensee to Council staff members in the month of October 2020, which confirmed that Council had not received any emails from the Former Licensee before October 21, 2020. On October 28, 2020, IT staff performed a

secondary search for all emails associated with the Former Licensee, specifically from October 10, 2020, to October 20, 2020. The search result showed that the only email Council had received from the Former Licensee was on October 21, 2020, after the issuance of Council's suspension.

23. IT staff advised on August 20, 2021, that another search would be conducted, and on August 25, 2021, IT provided a list of correspondence Council had received from the Former Licensee, which confirmed that Council's Licensing department had not received a termination request from the Former Licensee on October 13, 2020.
24. On October 26, 2020, Council's investigator sent an email asking the Former Licensee to confirm his contact information. On November 4, 2020, the Former Licensee proposed a meeting with Council's investigator "to go over everything." The meeting was confirmed for November 10, 2020. On November 2, 2020, Council's investigator made a telephone call to the Former Licensee, in which the Former Licensee advised that he "doesn't do insurance business anymore" and had "resigned from [the insurer] last week" (on October 20, 2020) but would cooperate with the investigation.
25. Between November 6 and November 9, 2020, Council's investigator tried to confirm the meeting scheduled for November 10, 2020. The Former Licensee was unable to confirm as he was waiting for an appointment at a hospital. Subsequently, the meeting was postponed following the Provincial Health Officer's new order on limiting social interactions. In light of this, Council's investigator emailed the Former Licensee to ask for a written response to the allegations set out by the insurer and a list of clients with whom he had conducted insurance business.
26. Between November 27 and November 30, 2020, Council's investigator emailed the Former Licensee to make arrangements for providing a written submission and other documents. In his response, the Former Licensee mentioned that he would be sending a USB drive to Council via Canada Post. Subsequently, Council's IT department created an online web portal for the Former Licensee to upload his submission and documents.
27. On December 3, 2020, the Former Licensee telephoned Council's investigator advising that he had issues with the web link that IT had created; he had been unable to create a login ID and password but had contacted the help desk to resolve the issue. He advised that he would be providing an update shortly.
28. On December 4, 2020, the Former Licensee asked for the web portal invitation to be sent to a different email address. Subsequently, Council's investigator followed up with the

Former Licensee about his submission. In response, the Former Licensee telephoned Council's investigator advising that he would be uploading his documents by December 14, 2020.

29. Between December 15 and December 18, 2020, Council's investigator had an email and telephone exchange with the Former Licensee. When Council's investigator reminded the Former Licensee to upload his submission to the online portal, the Former Licensee advised that a USB drive with password protection would be sent to Council's office.
30. During a telephone conversation on December 18, 2020, the Former Licensee advised that the USB drive would arrive at Council's office by December 22, 2020. Once again, Council's investigator inquired about his submissions. The Former Licensee advised that he had not uploaded anything to the online web portal due to medical appointments, but he would upload the documents by December 21, 2020.
31. On January 4, 2021, Council's investigator followed up with the Former Licensee by email to advise that Council had not received the USB drive. The Former Licensee replied that he had had numerous technical issues with his laptop and had been unable to upload his submission. On January 8, 2021, he advised that he would be uploading his submission by January 12, 2021.
32. Council staff sent numerous reminder emails and made telephone calls regarding this matter to request and inform the Former Licensee to submit any written submissions or documents before the Review Committee date so that any information the Former Licensee wanted to provide would be considered. At the time of the Review Committee meeting, the Former Licensee had not submitted any documents or written responses, and no USB drive was received.
33. At the Review Committee meeting, the Former Licensee stated that he invested D&S' money into real estate and that D&S knew of this investment. However, the Former Licensee acknowledged that he made a mistake and claims that he was wrong for believing the company/individual at face value related to the real estate investment. The Former Licensee stated that if he could have changed the situation, he would have been more diligent.
34. The Former Licensee further stated at the Review Committee meeting that he was expecting funds of \$450,000 to be paid to D&S on December 6 or 7, 2022. The Former Licensee would not answer any questions related to the identity of the alleged company or individual in which D&S' money was invested for real estate purposes. The Former

Licensee did not want to provide details of how he became acquainted with this individual or company. The Former Licensee maintained that he could not disclose any information about this individual or company because he signed a non-disclosure agreement with them prior to investing D&S' money. The Former Licensee stated he did not receive any compensation or referral fee for this investment but that the company/individual was to provide him with insurance business referrals. The Former Licensee maintained that once the funds of \$450,000 were paid to D&S on December 6 or 7, 2022, he would be able to provide wholesome answers as to the circumstances of this matter.

35. The Former Licensee did agree that D&S' money never went into any insurer account. The Former Licensee further agreed that the use of the insurer's logo on statements sent to D&S could be seen as deceiving. However, the Former Licensee maintained that D&S knew their money did not go into the insurer's fund but into a real estate investment. The Former Licensee did not want to provide answers as to why he used the insurer's logo on documents.
36. Throughout the Review Committee meeting, the Former Licensee maintained that he did not want to provide details regarding D&S' allegations. When questioned about how he determined whether this real estate investment was suitable for D&S and what client notes the Former Licensee had, he stated that many of the client files were "done away with." The Former Licensee could not articulate what happened to the client files, as there were various reasons such as computer problems, flooding, and moving that caused the documents to be "done away with."
37. The Former Licensee discussed his negative experience working for this insurer. The Former Licensee explained that it had been a difficult time for him as he had not worked since 2020 and had many life events such as his own health concerns, someone close to him received a cancer diagnosis, and he had attended many funerals within the last few years.
38. At the conclusion of the Review Committee meeting, the Former Licensee was given, at his request, an opportunity to provide further information related to D&S' complaint and this investigation with a deadline of December 12, 2022. The former licensee was advised that if no submissions were received, a decision would be made based on the information available to the Committee. On December 12, 2022, the Former Licensee advised that he required two extra days to provide his submissions and requested a further extension to December 14, 2022. On December 14, 2022, the Former Licensee requested another extension to December 19, 2022. The Former Licensee was advised by Council staff that if

submissions were received on December 19, 2022, his submissions may or may not be considered by Council, given the deadline for submissions had passed. At the time of the Council meeting on January 24, 2023, Council staff had not received any submissions or documents from the Former Licensee.

ANALYSIS

39. Council did not accept the Former Licensee's submissions that D&S knew they were investing in a private real estate fund as opposed to the insurer's product. The Former Licensee could not explain why he provided D&S with account statements using the insurer's logo, further supporting the conclusion that D&S believed and were led to believe their money was used to purchase the insurer's product. Council noted that creating false documents with an insurer's logo was both misleading and dishonest.
40. As Council did not accept that the Former Licensee advised D&S that their money was placed in a private real estate investment instead of the insurer's product, Council views the Former Licensee's actions as a misappropriation of client funds. The Former Licensee had a duty to appropriately handle funds collected or received on behalf of an insurer and did not do so in these circumstances. Further, Council noted the several months of delay in which D&S were trying to obtain statements and their funds, and in which the Former Licensee continuously made excuses as to why the statements and funds were not available, when there were no statements or funds available as there was never any insurer product sold to D&S.
41. The Former Licensee was not able to produce any documentation of his client file with D&S that would support his position that the money D&S provided would be invested into a private real estate investment as opposed to the insurer's product. It is the responsibility of the Former Licensee to maintain proper and adequate records to ensure mutual understanding of client instructions. Given that D&S submitted documentation including a statement of accounts with the insurer's logo that was provided to them by the Former Licensee and GreyNote, it seems more likely that D&S were led by the Former Licensee to believe their money was placed in an insurer's product. D&S maintain that they believed they had placed their money in an insurer product. The Former Licensee has no documentation or submissions that would refute this. Council concludes that the Former Licensee misappropriated client funds and is unable to determine whether the Former Licensee placed D&S' money in a real estate investment that had substantial loss or whether the Former Licensee used the funds for himself.

42. Council concluded that the Licensee's conduct constituted a serious breach of the fundamental licensing requirements to act in a trustworthy and financially reliable manner, and to act in good faith. The Code of Conduct expressly requires that a licensee demonstrate financial reliability. This means that a licensee can be relied upon to properly safeguard and account for money and property entrusted to the licensee, and to promptly deliver them in accordance with the circumstances. Adhering to the Code of Conduct and the usual practice of the business of insurance is essential to public confidence in the industry.
43. The Former Licensee committed serious breaches by falsifying documents to include an insurer logo and to misrepresent the state of the clients' funds. Council further notes that the Former Licensee has not paid D&S, and the judgement against the Former Licensee of \$450,000 remains outstanding.
44. Council found that the Former Licensee's misconduct amounted to breaches of Council Rules 7(2)(b) and (c) and 7(8), as well as of Code of Conduct sections 3 ("Trustworthiness"), section 4 ("Good Faith"), section 5 ("Competence"), 6 ("Financial Reliability"), section 7 ("Usual Practice: Dealing with Clients") and section 8 ("Usual Practice: Dealing with Insurers").
45. Prior to making its recommendation, Council took several past decisions into consideration as precedents. While Council recognized that it is not bound by precedent and that each matter is decided on its own facts and merits, Council found that these decisions were instructive in terms of providing a range of sanctions for similar types of misconduct.
46. [Paul Brian Bradbeer](#) (December 2018): an insurer's investigation concluded that the former licensee had submitted over 100 fictitious applications for life insurance certificates, accepted commissions for each of these fictitious applications, and then used part of the commissions he received to pay the monthly premiums. Approximately \$650,000 in commissions were paid to the former licensee as a result of this fraud. Council ordered that the former licensee was unsuitable to hold an insurance licence; he was fined \$10,000; and he was assessed investigation costs of \$1,000.
47. [Gagandeep Singh Dhillon](#) (July 2022): The former licensee had been charged with multiple offences under the *Criminal Code of Canada*, including identity theft, unauthorized use of credit card data, and fraud over \$5,000. The former licensee pled guilty to ten counts of identity theft and one count of careless use or storage of a firearm. The fraud committed by the former licensee involved abusing his position as an insurance salesperson to obtain credit card information belonging to clients. Council ordered that the former licensee not

be eligible to reapply for an insurance licence for a period of eight years, fined \$10,000 and assessed investigation costs.

48. [Mark Daniel Norris](#) (*March 2019*): the licensee was found to have misappropriated funds from two agencies he was authorized to represent, totaling \$6,928. The licensee showed remorse for his actions and repaid the funds. He explained that he had been driven to misappropriate the funds due to financial and personal problems he faced at the time. Council ordered that the licensee's licence be suspended for one year; he would also be downgraded to a level 1 licence for two years following the suspension; and he was assessed investigation costs of \$1,750.
49. [Lisa Anne Allan](#) (*January 2020*): In September 2018, the former licensee's agency found that she had misappropriated \$16,409.90 of ICBC funds for her own use. The former licensee admitted to taking the money. She was charged with theft over \$5,000 and was found guilty in May 2019. Through the restorative justice program, she received a conditional discharge that included three years of probation, 50 hours of community service, and a requirement to pay \$6,000 of restitution to the agency. Council gave consideration to the fact that the former licensee was dealing with the consequences of her actions through the restorative justice program, but also concluded that "as Council continues to encounter incidents of professional misconduct involving licensees misappropriating funds, it was determined that a lengthy period of disqualification from holding an insurance licence is necessary to communicate to the industry and public that such misconduct cannot be tolerated." Council ordered that no application from her would be considered for three years; required her to complete an ethics course before being licensed in future; and assessed investigation costs of \$1,562.50.
50. [Elaine Draney](#) (*March 2015*): The former licensee had failed to place insurance coverage as directed by clients, thereby generating premium refund cheques by the agency. The agency discovered that the insurance premium cheques intended for clients had not been delivered. The former licensee was terminated by the agency. The former licensee misappropriated a total of \$10,254.00 and paid back a total of \$9842.00 to avoid the matter being referred to the RCMP. By the time the matter had come before Council, the former licensee had not held an insurance licence since November 2011. With that in mind, Council held that the former licensee was not eligible to hold an insurance licence for a period of two years, fined \$10,000 and assessed investigation costs.
51. In Council's opinion, the conduct by the Former Licensee is among the most serious examples of misconduct including very significant financial harm suffered by D&S. The

Former Licensee misused his position as an insurance licensee to take money from clients and place the money into unknown funds.

52. Council identified as aggravating factors that the Former Licensee was largely uncooperative with Council's investigation as he failed to respond to several requests for information from Council's investigator, and that he has failed to rectify the financial harm suffered by D&S.
53. Having considered the precedent cases and circumstances of this matter, Council concluded that the Former Licensee is unsuitable to hold an insurance licence.
54. For the licensing prohibition period, Council believes that it is suitable for Council not to consider an insurance licence application from the Former Licensee for ten years. However, Council is of the opinion that the two years that have passed since the Former Licensee had his licence suspended by Council in October 2020 should be considered, effectively as two years of "time served." As such, although a 10-year prohibition is appropriate in the circumstances, with the deduction of the two years as time served, this results in the conclusion that Council will not consider an application for an insurance licence from the Former Licensee for a period of eight years.
55. Council recognizes that its recommendation of a 10-year licensure prohibition less two years for "time served" is significant; however, it is of the opinion that, given the circumstances, the length of the prohibition is appropriate. The Former Licensee directly abused his position as a licensee and purposely deceived his clients and misrepresented the insurer by creating false insurance documents.
56. Council concluded that given the Former Licensee's flagrant disregard of the Council Rules and Code of Conduct, it is necessary to protect the public by not allowing the Former Licensee to continue to work within the insurance industry in any unlicensed capacity during his insurance licence prohibition. As such, Council concluded that it would be appropriate to prohibit the Former Licensee from being a controlling shareholder, partner, officer, or director of any licensed agency during the Former Licensee's 8-year prohibition from the industry.
57. Council has determined that a fine is appropriate in the circumstances to communicate to the Licensee, the insurance industry, and the public, that insurance agents are expected by Council to perform their roles and conduct insurance business competently and ethically. In determining the amount of the fine, Council concluded that a fine equal to the

maximum amount permitted under the Act, for the relevant time of the misconduct, is appropriate.

CONCLUSIONS

58. After weighing all of the relevant considerations, Council found the Former Licensee to be in breach of Council's Rules and the Code of Conduct and concludes that it is appropriate for the Former Licensee's Life Agent licence to be cancelled with no opportunity to reapply for an insurance licence for a period of eight years and fined \$10,000. Council has determined that the licence prohibition and fine is required to send a clear message to the industry and to reinforce to the public that Council will not tolerate this type of conduct.
59. Council concludes that it is appropriate for the Former Licensee to be assessed the investigation costs of \$2,625.00. As a self-funded regulatory body, Council looks to licensees who have engaged in misconduct to bear the costs of their discipline proceedings, so that those costs are not otherwise borne by British Columbia's licensees in general. Council has not identified any reason for not applying this principle in the circumstances.

INTENDED DECISION

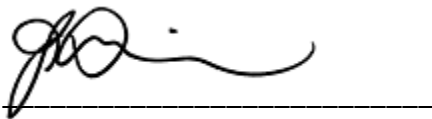
60. Pursuant to sections 231, 236 and 241.1 of the Act, Council made an intended decision to:
- a) Not consider an application for an insurance licence from the Former Licensee for a period of eight years, commencing on the date of Council's order;
 - b) Fine the Former Licensee \$10,000, to be paid within 90 days of Council's order, and which must be paid prior to the Former Licensee being licensed in the future;
 - c) Assess Council's investigation costs against the Former Licensee in the amount of \$2,625 to be paid within 90 days of the date of Council's order and which must be paid prior to the Former Licensee being licensed in the future; and
 - d) Prohibit the Former Licensee from being a controlling shareholder, partner, officer or director of any licensed agency in British Columbia for a period of eight years, commencing on the date of Council's order.
61. Subject to the Former Licensee's 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

62. If the Former Licensee wishes to dispute Council’s findings or its intended decision, the Former Licensee may have legal representation and present a case in a hearing before Council. Pursuant to section 237(3) of the Act, to require Council to hold a hearing, the Former Licensee 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 Licensee does not request a hearing within 14 days of receiving this intended decision, the intended decision of Council will take effect.
63. Even if this decision is accepted by the Licensee, pursuant to section 242(3) of the Act, the British Columbia Financial Services Authority (“BCFSA”) still has a right of appeal to the Financial Services Tribunal (“FST”). The BCFSA has thirty (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 or visit the guide to appeals published on their website at www.fst.gov.bc.ca/pdf/guides/ICGuide.pdf.

Dated in Vancouver, British Columbia, on the **21st day of February, 2023**.

For the Insurance Council of British Columbia



Janet Sinclair
Executive Director