In the Matter of the

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

and the

INSURANCE COUNCIL OF BRITISH COLUMBIA
("Council")

and

ALI NEZAMKHAH AHADI
(the "Licensee")

ORDER

As Council made an intended decision on January 27, 2026, pursuant to sections 231 and 241.1 of the Act; and

As Council, in accordance with section 237 of the Act, provided the Licensee with written reasons and notice of the intended decision dated February 23, 2026; and

As the Licensee has not requested a hearing of Council's intended decision within the time period provided by the Act;

Under authority of sections 231 and 241.1 of the Act, Council orders that:

a. The Licensee is fined $10,000, to be paid by June 15, 2026;

b. The Licensee is required to be supervised by a life and accident and sickness insurance agent, as approved by Council, for a period of two years of active licensing, commencing, at the latest, on April 16, 2026;

c. The Licensee is required to complete the following courses, or equivalent courses as approved by Council, by June 15, 2026:

    i. the Council Rules Course for Life and/or Accident & Sickness Agents;

ii. the Challenge of Documenting Nothing course, available through Advocis;

iii. the Making Choices I, II & III: Ethics and Professional Responsibility in Practice courses, available through Advocis; and

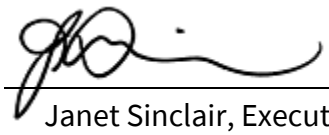
iv. the Government Benefit Plans course, available through Monkey Credits

(collectively, the "Courses");

d. The Licensee is assessed Council's investigation costs of $7,625, to be paid by June 15, 2026; and

e. A condition is imposed on the Licensee's life and accident and sickness licence that failure to obtain a supervisor as required, complete the Courses, and pay the fine and investigation costs by their deadlines will result in the automatic suspension of the Licensee's licence, and the Licensee will not be permitted to complete his 2027 annual licence renewal until such time as the Licensee has completed the Courses and paid the fine and investigation costs in full.

This order takes effect on the **16th day of March, 2026.**



Janet Sinclair, Executive Director
Insurance Council of British Columbia

INTENDED DECISION

of the

INSURANCE COUNCIL OF BRITISH COLUMBIA
("Council")

respecting

ALI NEZAMKHAH AHADI
(the "Licensee")

1. Pursuant to section 232 of the *Financial Institutions Act* (the "Act"), Council conducted an investigation to determine whether the Licensee had acted in compliance with the requirements of the Act, Council Rules, and Code of Conduct, following complaints received from clients about his conduct. The allegations raised in the complaints included that the Licensee sold unsuitable life insurance policies and investments, misrepresented the products he sold to clients, forged client signatures and initials on certain documents, failed to appropriately document communications with and instructions from clients, and failed to conduct adequate fact-finding and assessment of client needs. It also came to Council's attention, in the course of the investigation, that the Licensee had been disciplined by another regulatory body in 2024, but had not notified Council, as is required by the Council Rules.

2. On November 12, 2025, as part of Council's investigation, a Review Committee (the "Committee") comprised of Council members met via video conference to discuss the investigation. The Licensee attended the meeting and was interviewed by the Committee. An investigation report prepared by Council staff was distributed to the Licensee and Committee prior to the meeting. Having reviewed the investigation materials and discussed the investigation, the Committee prepared a report for Council.

3. The Committee's report, along with the aforementioned investigation report, was reviewed by Council at its January 27, 2026, 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 Licensee of the action it intends to take under sections 231 and 241.1 of the Act before taking any such action. The 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 Licensee.

FACTS

5. The Licensee has been licensed with Council as a life and accident and sickness insurance agent ("Life Agent") since 2015. Three separate complaints of a similar nature were received by Council about the Licensee between 2021 and 2024.

December 2021 Complaint

6. Council received a complaint in December 2021 from former clients of the Licensee (the "First Complainants"). In August 2021, the First Complainants, a married couple, had each purchased a Whole Life Participating Life Insurance 20-year plan policy from the Licensee, with their two children as the lives insured. One of the policies had a sum assured of $310,000 on the life of their 15-year-old child (for which they paid $400.09 per month), and the other had a sum assured of $269,000 on the life of their 9-year-old child (for which they paid $300.93 per month). The First Complainants' allegations included that the policies sold to them were unsuitable given their financial circumstances, and that they had wanted a savings plan. They also alleged that the Licensee had forged their initials on at least one document and had directed them to sign and initial blank documents before they were filled out.

7. At the recommendation of the Licensee, the First Complainants had also transferred funds from their Tax-Free Savings Accounts ("TFSAs") and their children's Registered Education Savings Plans ("RESPs") into an investment with Fidelity Investments.

8. The First Complainants also advised Council that they had been in debt at the time of dealing with the Licensee, with their debt increasing monthly. They had been receiving Employment Insurance ("EI") and were struggling with rent and other living costs, and they stated that the Licensee had been informed of these circumstances. In contrast, the Licensee submitted to Council's investigator in the course of the investigation that he had never been told about debt or any financial hardship by the First Complainants.

9. The First Complainants described themselves as being inexperienced with financial matters. The husband, who was interested in learning more about financial advising, began attending mutual fund dealer classes that the Licensee taught. After learning more about insurance products, he became convinced that the products sold to him and his spouse by the Licensee were unsuitable.

10. Additional concerns were noted by Council's investigator in the course of the investigation of this complaint, including a general lack of record-keeping and documentation. There was uncertainty as to whether documents such as the Financial Needs Analysis, Reason Why Letter, and Advisor Disclosure Document had been provided to the First Complainants. Although the First Complainants acknowledged to Council that they had "probably" received the Reason Why Letter, the document contained no client signature. Further, an insurer informed Council that the Licensee had been using their logo in presentation materials without their authorization.

June 2023 Complaint

11. Council received a complaint in June 2023 from another married couple who had been clients of the Licensee (the "Second Complainants"). In August 2021, they had purchased two Whole Life Participating Life Insurance 20-year plan policies from the Licensee, with their two young children as the lives insured. Similar to the First Complainants, the Second Complainants alleged that the policies sold to them were unsuitable given their financial circumstances, and that a savings plan was what they had been seeking. The Second Complainants also alleged that the Licensee had forged their signatures on key policy documents.

12. The Second Complainants submitted that, when they had dealt with the Licensee in 2021, they had told him that they wanted to invest their child benefit payments, and had never asked to insure their children. The Licensee proceeded to advise them that RESPs had unsatisfactory interest rates and encouraged them to purchase life insurance instead. The Second Complainants ultimately purchased two Whole Life policies through the Licensee – one with a sum assured of $290,000 on the life of their 12-year-old child (for which they paid $399.85 per month), and the other with a sum assured of $300,000 on the life of their 5-year-old child (for which they paid $304.02 per month).

13. According to the Second Complainants, when they later discussed their financial circumstances and plans with other consultants, they concluded that the life insurance policies sold to them by the Licensee did not align with their needs for investing on behalf of their children. The policies not having variable premiums was noted as a factor they considered unsuitable for their needs.

14. The Second Complainants submitted that the Licensee had never provided them with certain important documents relating to the insurance policies they purchased (Advisor Disclosure Document, Financial Needs Analysis, and Reason Why Letter). They claimed that the signatures on these documents, purported to be their own, had been forged by the Licensee. The Second Complainants provided examples of their signatures, and alleged that the Licensee had used a copy of their electronic signature in order to make forgeries.

15. In an interview with Council's investigator, the Licensee stated that he believed the Second Complainants had come to his office on August 20 or 21, 2021, and had signed the documents there. A colleague of the Licensee also stated in an email to the investigator that the Second Complainants had come to the Licensee's office and signed "*all documents and forms in person*" in "*end of summer 2021 or first of fall that year*." The Second Complainants, in contrast, submit that their interactions with the Licensee had all been conducted remotely, which is supported by the fact that their Life Insurance Applications were signed remotely on August 21, 2021, and that they had sent copies of their driver's licenses to the Licensee via text message on August 20, 2021.

October 2024 Complaint

16. Council received a complaint in October 2024 from another client of the Licensee (the "Third Complainant"). In July 2024, the Third Complainant invested $1.5 million in a segregated fund product

through the Licensee. The Third Complainant alleged that the Licensee had failed to properly explain the product, and had made false assurances about it.

17. The Third Complainant informed Council's investigator that, after having sold his business, he had been interested in investment opportunities that would provide him with a stable monthly income. He stated that in his discussions with the Licensee, he had asked about products that had good returns and no risk, and the Licensee had assured him that the segregated product investment would have an 8% rate of return and that the principal would not decrease. Additionally, the Third Complainant stated that the Licensee had described the investment as non-taxable, which was not true. Within two months, the investment had lost nearly $60,000 in value. The Third Complainant alleged that he had been misled about the segregated product and had not had it properly explained to him.

18. The Licensee had attempted to recruit the Third Complainant to work for the Agency in 2022, after he attended financial training sessions with the Agency. The Licensee described the Third Complainant as "*very knowledgeable in finance and business*." The Third Complainant, conversely, described himself as not being knowledgeable about investments, and stated that he did not know what segregated funds were after his training with the Agency. The Third Complainant never actually worked for the Agency or sold insurance. He did not have a finance background and stated that he did not understand "*how could these guys even consider me as a potential recruit person*."

19. The Third Complainant alleged that he had never received or seen the Reason Why Letter, produced by the Licensee and dated July 4, 2024, and that the purported client initials on the letter were not from him. He also stated that he had not received an Agent Disclosure Document, nor had he seen any client notes prepared by the Licensee. When asked by Council's investigator whether the Licensee had gone over a brochure with him about the investment product, the Third Complainant answered no, and disclosed that he had not chosen the five funds for the investment, contrary to what was claimed by the Licensee in the Reason Why Letter.

20. The Reason Why Letter contained statements saying the Licensee and Third Complainant had reviewed segregated funds with multiple insurers, and that the Third Complainant's risk tolerance was medium to high. The Third Complainant told Council's investigator that these statements were incorrect; his level of risk tolerance was low, and he had been expecting his investment to be with a different insurer than the one he eventually found out it was with.

21. The insurer whose segregated fund product was sold to the Third Complainant informed Council's investigator in August 2025 that it had not been aware of the presentation materials used by the Licensee, had not created them, and had not authorized the use of their logo. In September 2024, they confirmed that the Licensee had been paid commission of $84,000 in July 2024, but that following chargebacks his total commission was $8,412.02. The Third Complainant had deposited $1.5 million into the investment, and upon surrender received $1,440,285.40 (a loss of $59,714.60 due to market fluctuations).

AMF Registration Issue

22. In the course of investigating these complaints, it came to Council's investigator's attention that the Licensee's Mutual Fund Dealer Representative registration with the Autorité des marchés financiers ("AMF"), Quebec's financial sector regulator, had been suspended in February 2024 for breaches of his continuing education obligations.

23. The AMF confirmed to Council's investigator that, on January 15, 2024, they had written to the Licensee to advise that he was not in compliance with his continuing education requirements for the most recent reference period, and that his right to practice in Quebec could be suspended if the issue was not addressed. On February 5, 2024, the AMF wrote again to the Licensee and provided a decision that suspended him from practicing as a Mutual Fund Dealer Representative in Quebec.

24. Council Rule 7(3) requires that licensees must notify Council within 5 business days when they have been "*disciplined by any financial sector regulator, or any professional or occupational body*."

25. The Licensee was asked by Council's investigator about his AMF suspension during their interview on October 7, 2024, and acknowledged that he had been contacted by the AMF about a continuing education credit issue in approximately February 2024. However, when Council's investigator asked for additional information from the Licensee about the AMF issue in November 2024, the Licensee stated that his AMF licence had not been suspended.

Committee Meeting

26. The Licensee explained that he has been licensed as a Life Agent for ten years, and in that time period has accumulated a large number of clients, helping more than one thousand families to gain insurance protection. He said that the process he goes through with every client is to have a minimum of three educational sessions with them, prior to preparing a policy. In these sessions, he discusses topics such as the difference between investments and insurance, risk, and taxability. He explains various types of insurance products and their suitability, and if three educational sessions are not enough for a particular client, he will do additional ones.

27. Once the client has been through these educational sessions, the Licensee will conduct a Financial Needs Analysis with them, and after that will prepare an application based on their needs. He emphasized that he does not work only with one insurance company, but is familiar with products from multiple providers, so that he is better able to determine what is most suitable for a client. He takes the client's future needs into consideration when calculating what a suitable amount of life insurance would be.

28. The Licensee noted that, out of his more than one thousand clients, Council has only received three complaints. He stated that all of the complainants were from Vancouver's Persian community, of which he is a member; he described it as a small community in which people tend to know each other. The Licensee explained that the nature of the community means that he receives a lot of referrals, but a negative feature is that there are rival professionals who advertise themselves as being able to

review the suitability of life insurance products that people have purchased. According to the Licensee, these advisors are always able to find a way to conclude that a policy is not ideal – for example, if the policy in question is Whole Life, they will find a way to say that a Universal Life product would have been better, and vice versa.

29. The Licensee acknowledged that there may have been a lack of documentation and record keeping on his part, but stated that he does a lot of verbal communication with his clients that was not recorded.

30. The Committee asked whether the Licensee paid referral fees or other incentives to his clients, in order to have them introduce him to further potential clients. The Licensee stated that he does not; he receives referral business because his clients are satisfied with his service.

31. The Committee was interested in why the Licensee had advised the First Complainants to transfer their children's RESPs into an investment with Fidelity Investments. The Licensee said that a concern for his clients was the need to pay back the government for grants received, in the event that their children did not end up going to university, and that the insurance strategy he proposed offered more freedom, and would allow the clients to borrow money as needed, before, during, or after university. When asked by the Committee whether there would be an interest rate associated with borrowing money, as he suggested, the Licensee acknowledged that there was, but that the interest rate can be capitalized after seven or eight years.

32. The Committee asked the Licensee about his use of presentation materials, including the insurer's logo. He stated that the materials were provided by the insurer, and they had not communicated that the materials were not to be used with clients. He ceased using the materials after learning that the insurer had not given permission.

33. The Licensee was asked about the suspension of his AMF Mutual Fund Dealer Representative registration. He stated that, for the past two years, he had not had enough investment clients in Quebec, and as such had not intended to renew his licence. He was eventually contacted by the AMF, and informed that he would need to complete his continuing education requirements in order to keep his licence. He did not take action, as he did not intend to continue being licensed in Quebec, and when he was ultimately suspended, he was unaware of the requirement to notify Council (he also explained that he had experienced confusion as to when he became suspended, submitting that the AMF website listed his registration as active for a period of time after he was suspended).

34. The Committee questioned the Licensee about the forgery allegations, particularly in regards to the Second Complainants' accusation that he had forged their signatures on required policy documents. The Licensee stated that these former clients were claiming that their signatures had been forged as a means of having otherwise valid insurance products cancelled, and to have their complaint against him succeed. He submitted that their other allegations, such as that he misrepresented information and sold unsuitable products, were similarly motivated. The Licensee stated that he had had three Zoom meetings with the Second Complainants, and two-in-person meetings. He said that these clients had regularly contacted him via telephone, rather than in writing, and that the plan they settled on had been reached after numerous telephone discussions.

35. The Committee asked questions to the Licensee about the situations (the First Complainants and Second Complainants) in which he had insured the lives of children but not their parents. The Licensee noted that it would have been more expensive for the parents to apply, and that he had discussed insurance with the First Complainants, but one of them was not insurable, and the other did not want insurance on her own life. As for the Second Complainants, who alleged that they had not wanted life insurance for themselves and who had been unhappily surprised to find that their insurance required fixed payments, the Licensee stated that he had explained the relevant details with the clients, and that they had communicated that they might want to increase contributions in the future as their income grew.

36. The Licensee noted throughout the interview that the Second Complainants' children had not qualified for Social Insurance Numbers and therefore could not obtain RESPs, and that this contributed to his advice that they obtain life insurance.

37. The Licensee was asked to confirm how many insurance agents he currently supervises, and whether he is compensated for doing so. He confirmed that he supervises 25 new Life Agents, but receives no money for supervising. He receives override profits from people that he recruits into the Agency, but is not compensated for his supervision duties. The Licensee submitted that one of the First Complainants had introduced "a couple of clients" to him, and had expected a commission for doing so, but since he was not licensed the Licensee had not paid him. The Licensee suggested that this had created animosity that had motivated the First Complainants' complaint.

38. The Licensee was asked to speak to the Third Complainant's allegation that he had been told that he would receive a minimum 8% guaranteed return, which would not decrease, as well as why he had invested in medium-risk funds instead of low risk. The Licensee stated that the 8% referred to was the amount of money that the client wanted to withdraw every year. He invested $1.5 million and sought to withdraw $10,000 each month, which adds up to $120,000 per year, amounting to 8% of $1.5 million. The 8% he had discussed with the client had not been the rate of return, but the amount the client intended to withdraw each year. The amount of the investment and the medium level of risk had been calculated with that in mind, and with the client's net worth, income, time horizon of more than seven years, and retirements goals all taken into consideration.

39. The Committee noted that the Third Complainant's submissions to Council suggested that he needed access to the invested funds much earlier than in seven years time, due to his intended purchase of a home. The Licensee stated that the Third Complainant had never mentioned an intention to buy property; further, he had millions of dollars in his chequing account to draw on, and had stated an intention to eventually invest more into the segregated fund product over time. The Licensee explained that he had attempted to reach out to the Third Complainant after the value of the product had been impacted by market fluctuations, but the Third Complainant had broken off contact.

40. The Committee noted that the First Complainants had been in debt when dealing with the Licensee. The Licensee stated that the First Complainants had never informed him of debt, or showed him evidence of it.

41. The Licensee was asked how he ensures his clients can afford the insurance products he recommends. He said that he looks at factors including the income of the client and their spouse, any Canada Child Benefit ("CCB") payments, pensions, or other government funds they receive, and also calculates their living expenses.

42. The Committee pointed out that the Second Complainants were very adamant about not having met the Licensee in person, and that they had never signed documents in person. The Licensee stated that he has a witness who saw them at the office, and explained that the Second Complainants were likely making these allegations because it gave them the best chance of receiving money due to their complaint.

43. The Committee noted that the Licensee's submissions varied significantly from the submissions of the complainants, and asked the Licensee if he had kept documentation that would support his side. The Licensee admitted that his record-keeping practices were not as strong in previous years as they currently are, and acknowledged that he may not have documented everything. Even so, he stated that he was confident that he had explained everything sufficiently to the clients, mostly through verbal conversations.

ANALYSIS

44. Council found that the Licensee had breached Council Rule 7(8), which requires licensees to comply with the Code of Conduct (as will be described in more detail below). Council also concluded that the Licensee's failure to provide notice of his suspension by the AMF was a breach of Council Rule 7(3), which requires that Council be notified of discipline by another regulator within five business days. Additionally, Council found that the Licensee had failed to properly document his interactions with and advice to clients, amounting to a breach of Council Rule 7(9), which requires that licensees "*shall keep books, records and other documents necessary for the proper recording of insurance transactions and related financial affairs*."

45. Council's opinion is that the Licensee breached section 3 ("Trustworthiness") of the Code of Conduct in his dealings with the complainants. For example, the evidence suggests that the Licensee had given misleading or at least incomplete information about RESPs in order to sell life insurance products to the First Complainants and Second Complainants. Generally, RESPs would have been the solution for clients with needs and financial situations similar to those of the First Complainants and Second Complainants, but the Licensee's Financial Needs Presentation appeared designed to emphasize flaws with RESPs as an option, and to make Whole Life policies seem more attractive. Even though the Second Complainants may not have been eligible to obtain RESPs for their children at the time, the Licensee should have been more forthright about the advantages of RESPs and informed the clients about how they could qualify for them eventually. Council also believes that the Licensee's statements to the Third Complainant about the segregated fund investment were overly optimistic, in terms of lack of risk to capital, amount of return, and taxation, to the point of being misleading.

46. Council found that, on a balance of probabilities, it was most likely that the Licensee had added at least some of the allegedly forged client signatures and initials to policy documents. In particular, Council accepted the allegation by the Second Complainants that their signatures had been forged. Although the Licensee claimed that the Second Complainants had signed their policy applications and supporting documentation in person, Council's opinion is that the evidence supports the Second Complainants' submission that they had conducted all of their dealings with the Licensee remotely. The Second Complainants had signed their Life Insurance Application electronically on August 21, 2021, and records show that they had been sending information to the Licensee via text message on August 20 and 21, 2021. Further, the signatures on the Advisor Disclosure Document, Reason Why Letter, and Financial Needs Analysis dated August 21, 2021, look considerably different from the signatures on the Life Insurance Application, and the samples provided by the Second Complainants.

47. Council found that the Licensee's actions amounted to a breach of Code of Conduct section 4 ("Good Faith"), which, as part of its requirements, states that licensees must "*act in a manner which is consistent with your client's … best interests*." Council believes that the evidence shows the Licensee was willing to put his own interests ahead of his clients' interests by too greatly emphasizing the advantages of Whole Life policies to the First Complainants and Second Complainants in circumstances where other options would likely have been more suitable. The Licensee generated significant commissions as a result of these insurance policies, whereas the clients ultimately found them unaffordable. This conduct also amounts to breaches of Code of Conduct section 7 ("Usual Practice: Dealing with Clients"), which requires licensees to "*protect clients' interests*" and "*act with integrity, competence and the utmost good faith*."

48. Code of Conduct section 5 ("Competence") was also breached by the Licensee. As described above, there was a general problem of lack of record keeping and documentation on the complainants' files, to the point that Council considers Rule 7(9) to be breached. The existing documentation, however, leads Council to conclude that the Licensee was not making adequate efforts to conduct fact-finding and to assess his clients' needs. If a proper attempt at fact-finding had occurred, it is likely that the Licensee would have been made aware of key details such as the First Complainants' debts and EI assistance. In all three reviewed cases, the understanding of the clients differed so greatly from the statements provided by the Licensee that Council's conclusion is that the clients did not have their products adequately explained to them, and that they lacked a meaningful understanding of what they had been sold. It is notable that the Licensee had locked both the First Complainants and Second Complainants into insurance policies with set premium amounts that had been calculated based on the CCB amounts they received, even though those CCB amounts would be reduced over time. A reasonably prudent licensee in such circumstances would have made a greater effort to discern whether the insurance products being considered were suitable and affordable for the clients, especially in the case of the First Complainants. Council believes that these issues also breach the requirement of section 7 ("Usual Practice: Dealing with Clients") that licensees "evaluate clients' needs" and "disclose all material information."

49. Code of Conduct section 8 ("Usual Practice: Dealing with Insurers") was also breached. This section sets out requirements for licensees, including that they "*make reasonable inquiries into the risk*" and "*provide full and accurate information*." The Licensee failed to meet these requirements. In addition to

the concerns described above, Council noted that, when arranging a segregated product investment for the Third Complainant, it appeared that the Licensee had chosen the investment funds without input from the client. The Licensee's use of an insurer's logo without permission also contributes to a finding that section 8 has been breached.

50. Finally, Council believes that section 12 of the Code of Conduct ("Dealing with the Insurance Council of British Columbia") has been breached. This section requires licensees to "*respond promptly and honestly to inquiries from Council*." In the course of the investigation, the Licensee was not forthright about having had his AMF registration suspended, even when asked direct questions by Council's investigator. Although the Licensee admitted that he had been confused as to the state of his AMF registration, it was suspended in February 2024, and Council does not think it reasonable that he would not provide a direct answer by the time he was asked about it by the investigator in November 2024.

PRECEDENTS

51. Prior to making its decision, Council took into consideration several of its past decisions involving licensees who recommended unsuitable products to clients, as well as decisions that involved licensees who failed to properly keep records, perform needs analysis and fact finding, and/or failed to ensure client understanding. One case involving forged signatures was also reviewed.

52. *Rosalie Abando Ninalgo* (March 2024): concerned a Life Agent licensee who was found to have failed to keep proper records pertaining to client files; she was unable to provide adequate documentation of client instructions, client notes or summaries relating to assessment of the client's needs. An adequate fact-finding assessment of the client's insurance needs, and properly documented client instructions to ensure mutual understanding, were not recorded. Council ordered that the licensee be supervised for 12 months, required to complete three Advocis courses and the Council Rules Course, and assessed investigation costs.

53. *Sherlock Hsu* (September 2023): concerned a Life Agent licensee who was found to have lacked a system for record-keeping regarding client file documentation, and could not provide documentation of client instructions, emails, or notes or summaries related to the assessment of his client's needs or circumstances. The lack of documentation made it difficult to assess whether the products at issue were suitable for or understood by the client. A proper needs analysis could not be demonstrated, or that proper explanations were provided to the client so that an informed decision could be made. There was also an issue of the licensee having signed as a witness on a document, when he had not in fact witnessed the signature. Council ordered that the licensee be fined $2,000 (largely due to the signature issue), that he be supervised for two years and required to complete courses, and assessed investigation costs.

54. *Manpreet Kaur Brar* (April 2023): concerned a Life Agent licensee who was found to have sold insurance products to clients that were not appropriate or suitable to the clients' needs. The policies

sold by the licensee did not align with clients' financial circumstances, and a large number of the policies sold by the licensee lapsed due to non-payment. Council noted that, even if the licensee's recommendations had been suitable, the licensee was obliged to keep proper records and ensure her clients understood the policies, which was not done. An additional issue was that the licensee had a practice of writing new policies for clients who had their existing policies lapse for non-payment, instead of advising that such policies be reinstated. Council determined that the competency issues were significant enough that the licensee should not be licensed. It ordered that her licence be cancelled, with no opportunity to reapply for two years, and assessed investigation costs.

55. *Christopher Robert Gerke* (February 2022): concerned a Life Agent licensee who forged the signatures of five clients. He stated that he had been unable to meet these clients prior to the date on which the insurer wanted documents, and had then panicked and signed on behalf of the clients. Other practice concerns were identified, including a failure to maintain proper records. Council noted, however, that the licensee had since undergone training and supervision, and his practices had significantly improved. The licensee was fined $1,000 and required to complete the Council Rules Course. He was also assessed investigation costs.

56. *Eunice Chew Hoon Gan* (January 2021): concerned a Life Agent licensee found to have given unsuitable advice to an elderly client who lacked "*significant financial acumen or experience*." The licensee encouraged and facilitated the client, a pensioner with modest assets, to borrow significant sums to leverage her investment portfolio. The hearing committee considered these investments "*objectively not suitable*" for the client, given her age and overall financial circumstances. There was also no evidence of a needs analysis being performed. The hearing committee concluded that "*the only reasonable view of the evidence is that the plan was put in place to benefit the Licensee and not her Client*." Council ordered that the licensee be fined $10,000 (the legislated maximum at the time), supervised for two years, required to complete courses, and assessed both investigation and hearing costs.

57. *Andreas Lauri Hinkkala* (August 2019): concerned a Life Agent licensee who sold insurance products to a client that were "*grossly unsuitable considering her financial circumstances and needs*." There was a lack of records kept to show that the client understood the products in question. Council found that the licensee's conduct had been motivated by commissions and without regard for the consequences to his client. Council ordered that the licensee be fined $2,000, supervised for two years, required to take an ethics course, and assessed investigation costs.

58. Of the reviewed cases, Council considered the *Hinkkala* precedent to be the most similar to the case at hand.

MITIGATING AND AGGRAVATING FACTORS

59. Council considered mitigating and aggravating factors. No significant mitigating factors were identified. An important aggravating factor, however, is that Council thinks the Licensee is likely to continue to breach the Council Rules and Code of Conduct if his conduct is not addressed through discipline – in particular, Council believes that the Licensee's practice of advocating for Whole Life policies in lieu of RESPs or other strategies is likely to continue. Other aggravating factors include that the Licensee derived a financial benefit from his conduct (via commissions for the products he sold), that the impugned behaviour took place over a period of time, and that the Licensee is experienced and very active in the insurance industry, supervising the maximum number of new Life Agents.

60. Overall, Council determined that the aggravating factors are significant enough that they should have an impact on determining an appropriate disciplinary response.

CONCLUSION

61. Council believes it is appropriate to fine the Licensee $10,000, require him to be supervised for two years, and require him to complete a series of relevant courses.

62. As noted above, Council saw similarities between this case and the *Hinkkala* precedent. Both involved licensees who sold unsuitable products to clients, were motivated by commissions, and failed to keep sufficient records pertaining to their interactions with clients. A $2,000 fine was issued in *Hinkkala*; as *Hinkkala* dealt with allegations from one complainant, whereas the current case deals with three sets of complainants, Council believes it would be appropriate to fine the Licensee $10,000. A $10,000 fine would also match the fine issued in the *Gan* precedent. Council believes that a significant fine is necessary in these circumstances because the Licensee benefited financially at the expense of his clients. A $10,000 fine will communicate to the Licensee, as well as to the industry and public, that it is unacceptable for insurance licensees to profit from selling unsuitable insurance policies.

63. Given that certain of the Licensee's breaches of the Council Rules and Code of Conduct stem from competency issues, Council considers it necessary for the Licensee to be required to take the Council Rules Course, as well as an ethics course and technical courses dealing with record keeping and government benefits. These courses, in combination with a requirement that the Licensee be supervised for two years, should help to address his competency and ethics problems.

64. Council also intends to assess its investigation costs to the Licensee. As a self-funded regulatory body, Council looks to licensees who have engaged in misconduct to bear the costs of their disciplinary 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

65. Pursuant to sections 231 and 241.1 of the Act, Council made an intended decision that:

    a. The Licensee be fined $10,000, to be paid within 90 days of Council's order;

    b. The Licensee be required to be supervised by a life and accident and sickness insurance agent, as approved by Council, for a period of two years of active licensing, commencing, at the latest, one month after the date of Council's order;

    c. The Licensee be required to complete the following courses, or equivalent courses as approved by Council, within 90 days of Council's order:

        i. the Council Rules Course for Life and/or Accident & Sickness Agents;

        ii. the Challenge of Documenting Nothing course, available through Advocis;

        iii. the Making Choices I, II & III: Ethics and Professional Responsibility in Practice courses, available through Advocis; and

        iv. the Government Benefit Plans course, available through Monkey Credits

        (collectively, the "Courses");

    d. The Licensee be assessed Council's investigation costs of $7,625, to be paid within 90 days of Council's order; and

    e. A condition is imposed on the Licensee's life and accident and sickness licence that failure to obtain a supervisor as required, complete the Courses, and pay the fine and investigation costs by their deadlines will result in the automatic suspension of the Licensee's licence, and the Licensee will not be permitted to complete his 2027 annual licence renewal until such time as the Licensee has completed the Courses and paid the fine and investigation costs in full.

66. Subject to the 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.

ADDITIONAL INFORMATION REGARDING FINES/COSTS

67. Council may take action or seek legal remedies against the Licensee to collect outstanding fines and/or costs, should these not be paid by the 90 day deadline.

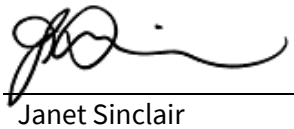
RIGHT TO A HEARING

68. If the Licensee wishes to dispute Council's findings or its intended decision, the 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 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 Licensee does not request a hearing within 14 days of receiving this intended decision, the intended decision of Council will take effect**.

69. 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 https://www.bcfst.ca/ or visit the guide to appeals published on their website at https://www.bcfst.ca/app/uploads/sites/832/2021/06/guidelines.pdf.

Dated in Vancouver, British Columbia, on the **23rd day of February, 2026.**

For the Insurance Council of British Columbia



Janet Sinclair
Executive Director