
IN THE MATTER OF the *Insurance Act*, R.S.O. 1990, c.I.8, as amended (the “Act”), in particular sections 392.4 and 407.1;

AND IN THE MATTER OF Aman Maharaj.

NOTICE OF PROPOSAL TO REFUSE TO ISSUE LICENCE

TO: Aman Maharaj

TAKE NOTICE THAT pursuant to sections 392.4 and 407.1 of the Act, and by delegated authority from the Chief Executive Officer of the Financial Services Regulatory Authority of Ontario (the “Chief Executive Officer”), **the Senior Manager, Licensing Compliance (the “Senior Manager”) is proposing to refuse to issue an insurance agent licence to Aman Maharaj.**

Details of these contraventions and reasons for this proposal are described below. This Notice of Proposal includes allegations that may be considered at a hearing.

SI VOUS DÉSIREZ RECEVOIR CET AVIS EN FRANÇAIS, veuillez nous envoyer votre demande par courriel immédiatement à: contactcentre@fsrao.ca.

YOU ARE ENTITLED TO A HEARING BY THE FINANCIAL SERVICES TRIBUNAL (THE “TRIBUNAL”) PURSUANT TO SECTIONS 407.1(2) AND 407.1(3) OF THE ACT.

A hearing by the Tribunal about this Notice of Proposal may be requested by completing the enclosed Request for Hearing Form (Form 1) and delivering it to the Tribunal within fifteen (15) days after this Notice of Proposal is received by you. The Request for Hearing Form (Form 1) must be mailed, delivered, faxed or emailed to:

Address: Financial Services Tribunal
25 Sheppard Avenue West, 7th Floor
Toronto, Ontario
M2N 6S6

Attention: Registrar

Fax: 416-226-7750

Email: contact@fstontario.ca

TAKE NOTICE THAT if you do not deliver a written request for a hearing to the Tribunal within fifteen (15) days after this Notice of Proposal is received by you, orders will be issued as described in this Notice of Proposal.

For additional copies of the Request for Hearing Form (Form 1), visit the Tribunal's website at www.fstontario.ca

The hearing before the Tribunal will proceed in accordance with the *Rules of Practice and Procedure for Proceedings before the Financial Services Tribunal* ("Rules") made under the authority of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended. The Rules are available at the website of the Tribunal: www.fstontario.ca. Alternatively, a copy can be obtained by telephoning the Registrar of the Tribunal at 416-590-7294, or toll free at 1-800-668-0128 extension 7294.

At a hearing, your character, conduct and/or competence may be in issue. You may be furnished with further and or other particulars, including further or other grounds, to support this proposal.

REASONS FOR PROPOSAL

I. INTRODUCTION

1. These are the reasons for the proposal by the Senior Manager to refuse to issue an insurance agent licence to Aman Maharaj (“Maharaj”).
2. The Senior Manager has reasonable grounds to believe that Maharaj is not suitable for licensing having regard to the circumstances prescribed under the Act. Specifically:
 - a. Maharaj provided false information on his licensing application; and
 - b. Maharaj’s past conduct affords reasonable grounds for belief that he will not conduct insurance business in accordance with the law and with integrity and honesty since he was found by the Law Society of Ontario (“Law Society”) to have demonstrated professional misconduct for participation in mortgage frauds (approximately 17 transactions).

II. BACKGROUND

A. Law Society Proceeding

3. Maharaj was previously licensed as a lawyer from 1996 until February 2009.
4. On February 24, 2009, the Law Society Tribunal held a hearing against Maharaj to consider allegations of professional misconduct. At this hearing, Maharaj was found to have committed professional misconduct as follows:
 - a. participation in mortgage frauds (approximately 17 transactions over 14 months);
 - b. failing to be on guard against being duped into assisting with fraudulent transactions; and
 - c. complete and total abdication of the lawyer's function.
5. At the hearing, the Law Society Tribunal concluded that Maharaj’s “conduct in connection with these offences indicates a considerable degree of lack of competence and an almost total abdication of the function of a competent real estate lawyer”. The Law Society Tribunal commented on the need for some component of blame being necessary given the total abdication of responsibility but allowed Maharaj to surrender his licence due to the principles applicable to joint submissions.

6. The Law Society Tribunal Order required Maharaj to surrender his licence to practice law in Ontario, resign his membership in the Law Society and pay costs of \$10,000.

B. Licensing Application

7. On June 24, 2021, Maharaj submitted an application to the Financial Services Regulatory Authority of Ontario (“FSRA”) for an insurance agent licence under the Act (“Licensing Application”). Maharaj’s Licensing Application was sponsored by American Income Life Insurance Company (American Income) (licence # 1712).

8. In this application, Maharaj answered NO to the following question:

“Have you ever been refused registration or a licence under any legislation which required registration or licensing to deal with the public in any capacity (e.g. insurance agent, RIBO broker, securities dealer, motor vehicle dealer etc.) in any province, territory, state, or country; have you held such a licence and been the subject of a disciplinary proceeding that resulted in a penalty being imposed (e.g. suspension, termination, reprimand, surrender, etc.); are you the holder of such a licence and currently the subject of an investigation or upcoming disciplinary proceeding that may result in a penalty being imposed?” [emphasis added]

9. In making the Licensing Application, Maharaj swore to have truthfully answered all questions, and certified that “providing false, misleading or incomplete information in this application and/or any attachments requested may be sufficient grounds to reject the application or revoke a licence, or result in your prosecution. By clicking the “Confirmed” button below, you swear that you have truthfully answered all questions contained within this electronic application”.
10. During a review of the application, FSRA became aware of the Law Society proceeding against Maharaj.
11. When confronted with this finding, Maharaj apologized for not disclosing the Law Society disciplinary proceedings and stated, “it was simply an oversight”. Maharaj further claimed that “the matter with the Law Society has been closed for over 12 years for something that happened over 20 years ago.” He further asserted that “...I was the victim of underhanded deceptive practices of others more senior to me in my role”. On January 13, 2022, during a telephone call from a FSRA Regulatory Disciplinary Officer (RDO), Maharaj again claimed that his nondisclosure was an oversight.

III. CONTRAVENTIONS OR FAILURES TO COMPLY WITH THE ACT

12. Section 447(2)(a) states that it is an offence when a person directly or indirectly furnishes false, misleading or incomplete information to FSRA whether the information is required under the Act or is volunteered.
13. By stating that he had never held a licence or been the subject of a disciplinary proceeding that resulted in a penalty being imposed, Maharaj furnished false and incomplete information to FSRA.

IV. GROUNDS FOR REFUSAL TO ISSUE LICENCE

14. Section 392.4(1) of the Act states that the Chief Executive Officer shall issue a licence to act as an insurance agent in Ontario to an applicant who applies in accordance with section 392.3 and who satisfies the prescribed requirements for the licence unless the Chief Executive Officer believes, on reasonable grounds, that the applicant is not suitable to be licensed having regard to such circumstances as may be prescribed and such other matters as the Chief Executive Officer considers appropriate.
15. Section 4(1) of Ontario Regulation 347/04 states that an application for a licence shall be granted if the Chief Executive Officer is satisfied that the applicant meets the prescribed requirements. More specifically, subsections (a), (c) and (i) require that an applicant:
 - (a) is of good character and reputation;
 - (c) if previously employed or engaged in business, has a satisfactory record in the employment or business;
 - (i) is otherwise a suitable person to receive a licence;
16. Further, section 8 of Ontario Regulation 347/04 permits the Senior Manager to revoke a licence on any grounds on which an application can be refused or if it appears to the Senior Manager that the licensee has done any of the following:
 - a. Violated any provision of the licence in the licensee's operations as an agent;
 - b. Has made a material misstatement or omission in the application for the licence;
 - c. Has been guilty of a fraudulent act or practice; or
 - d. Has demonstrated incompetence or untrustworthiness to transact the insurance agency business for which the licence has been granted.

17. The Senior Manager is not satisfied that Maharaj has shown that he is “of good character and reputation”, that “if previously employed or engaged in business, has a satisfactory record in the employment or business” nor that he is “otherwise a suitable person to receive a licence” as contemplated under section 4(1)(a), (c), and (i) of Ontario Regulation 347/04.
18. The Senior Manager is satisfied that Maharaj provided material misstatements or omissions on the Licensing Application as contemplated under section 8(b) of Ontario Regulation 347/04 and section 447(2)(a) of the Act. Contrary to Maharaj’s sworn declaration on the Licensing Application, he was the subject of a Law Society disciplinary proceeding in February 2009 which resulted in the surrender of his licence to practice law and a \$10,000 cost award.
19. Maharaj’s conduct while seeking licensing speaks to a concerted effort to mislead FSRA and avoid providing particulars of his Law Society disciplinary proceedings, wherein he admitted to abdicating his responsibilities as a lawyer which facilitated mortgage frauds of approximately 17 transactions over the course of 14 months.
20. When questioned about these proceedings, Maharaj either trivialized his non-disclosure or claimed to have been a “victim”. However, the Law Society disciplinary Order clearly identified that Maharaj’s conduct “... indicates a considerable degree of lack of competence and an almost total abdication of the function of a competent real estate lawyer” and that “the transactions all had the standard red flags that to an observant and competent real estate lawyer would have signalled what was going on and perhaps have prevented them”. Furthermore, these Law Society findings may also be demonstrative of Maharaj’s incompetence to transact insurance agency business as contemplated under section 8(d) of Ontario Regulation 347/04. Considering same, the Senior Manager believes that Maharaj is not a candidate for supervisory conditions given the risk of public harm.
21. FSRA must assess suitability keeping in mind that the purpose of licensing is to ensure that the public receives competent and ethical insurance brokering services from those licensed to participate in the industry. Licensed insurance agents serve as trusted advisors to their clients, who often rely on their insurance agents when making important financial decisions that can have a significant impact on their lives and well-being. As such, the questions posed to those who apply for licences or renewals under the Act are vitally important to FSRA in assessing the suitability and qualifications of applicants. These questions are a necessary screening tool to protect the public from unqualified, unsuitable, and unscrupulous persons.
22. The Senior Manager has reasonable grounds to believe that Maharaj has demonstrated an unwillingness to operate in the insurance industry in accordance with the law or with integrity and honesty. Therefore, the Senior Manager believes that Maharaj is not suitable to be licensed and proposes to refuse his licence application.

23. Such further and other reasons as may come to my attention.

DATED at Toronto, Ontario, March 31, 2022.

Jelena Pejic
Senior Manager, Licensing Compliance

By delegated Authority from the Chief Executive Officer