
IN THE MATTER OF the *Insurance Act*, R.S.O. 1990, c. I.8, as amended (the “Act”), in particular sections 392.4, 392.5, and 407.1;

AND IN THE MATTER OF Saadia Ali;

AND IN THE MATTER OF Amin Mohammad Ali;

AND IN THE MATTER OF Anusha Financial Group Inc.

**NOTICE OF PROPOSAL TO REVOKE LICENCES
and TO REFUSE TO RENEW LICENCE**

TO Saadia Ali

AND TO Amin Ali

AND TO Anusha Financial Group Inc.
21 Ben Lomond Place, #1706
Hamilton ON L8V 2T1

TAKE NOTICE THAT pursuant to sections 392.5 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 Director, Litigation and Enforcement (the “Director”)** is proposing to revoke the life insurance and accident & sickness insurance agent licence issued to Saadia Ali.

TAKE FURTHER NOTICE THAT pursuant to sections 392.5 and 407.1 of the Act, and by delegated authority from the Chief Executive Officer, **the Director is proposing to revoke the life insurance and accident & sickness insurance agent licence issued to Amin Mohammad Ali.**

TAKE FURTHER NOTICE THAT pursuant to sections 392.4 and 407.1 of the Act, and by delegated authority from the Chief Executive Officer, **the Director is proposing to refuse to renew the corporate insurance agent licence issued to Anusha Financial Group Inc.**

The 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 SECTION 407.1 OF THE ACT. A hearing before the Tribunal about this Notice of Proposal may be requested by completing the enclosed Request for Hearing (Form 1) and submitting it to the Tribunal within 15 days after the 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, Suite 100
Toronto ON 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. 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 ext. 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 Director to revoke the agent's licences issued to Saadia Ali ("Saadia") and Amin Mohammad Ali ("Amin") (collectively, the "Alis") and to refuse to renew the corporate agent licence issued to Anusha Financial Group Inc. ("Anusha").

II. BACKGROUND

2. Saadia has been licensed as a life insurance and accident & sickness agent since July 4, 2007, pursuant to the Act (licence number 07097633). Her current licence will expire on August 12, 2023.
3. Amin has been licensed as a life insurance and accident & sickness insurance agent since April 20, 2006, pursuant to the Act (licence number 06091450). His current licence will expire on July 12, 2022.
4. Saadia and Amin were spouses at all times referred to below.
5. Amin submitted a licence application on February 21, 2020. Amin failed to disclose in his licence application that he was the subject of an investigation by the Mutual Fund Dealers Association ("MFDA"). Amin was informed by the MFDA of the investigation in June 2018.
6. Additionally, as of early 2018, Amin was terminated by London Life Insurance Company ("London Life") due to the conduct outlined below. Amin failed to disclose this termination on his February 21, 2020 application.
7. Saadia was terminated in early 2018 by London Life. Saadia failed to disclose this termination on her subsequent licensing application.
8. Anusha was licensed as a corporate insurance agent, licence number 32638M. Anusha's licence expired on September 14, 2021. The Alis own and operate Anusha. Amin is the designated agent of Anusha. The misconduct outlined below by Amin was carried out through the corporate licence of Anusha.
9. Anusha submitted an application to renew its corporate agent licence on July 26, 2021.
10. Castlebrook Wealth Management Inc. ("Castlebrook") is licensed as a corporate insurance agent, licence number 36858M. Saadia appears as an officer on Castlebrook's corporate licence application and Amin appears as an officer on

Castlebrook's ONBIS profile.

11. On April 16, 2018, London Life submitted a Life Agent Reporting Form ("LARF") regarding Saadia and Amin, alleging professional misconduct in the selling of life insurance policies and segregated funds. London Life terminated its relationship with the Alis.
12. Subsequently, in January 2020, The Canada Life Assurance Company ("Canada Life") submitted a companion LARF including further details of the investigation conducted by London Life and Canada Life.
13. The LARFs outlined serious misconduct that the Alis engaged in with respect to their life insurance clients. The misconduct reported in the LARFs included:
 - a) Misrepresentation of policies/terms of policies;
 - b) Misappropriation of client funds; and
 - c) Sale of/transfer to inappropriate products.
14. Records provided by London Life and Canada Life indicate that, for 27 former clients, insurance policy transactions were completed solely for the purpose of the Alis obtaining a deferred service charge ("DSC") or other fees, with no benefit to the clients as consumers.
15. FSRA interviewed several former clients of the Alis and the life insurance agent who took over the Alis' clients after they were terminated by London Life. The information obtained from these clients demonstrates that the Alis are not suitable to be licensed.

III. MFDA PROCEEDING AGAINST AMIN

16. As stated above, Amin was the subject of an investigation by the MFDA.
17. On June 4, 2020, the MFDA commenced a disciplinary proceeding in respect of Amin.
18. On February 15, 2022, the Hearing Panel of the MFDA's Central Regional Council found that Amin engaged in the following misconduct as an Approved Person under a Member:
 - a) Engaging in outside activities not disclosed or approved by the Member;
 - b) Providing false and misleading responses to the Member; and
 - c) Failing to cooperate with an investigation of his conduct by Staff of the MFDA.
19. The MFDA hearing panel has not yet determined the sanction for Amin.

20. Amin has sought a review by the Ontario Securities Commission of the MFDA decision.

IV. ALIS' DEALINGS WITH CLIENTS

AL and BH

21. AL and BH were longstanding clients of the Alis.
22. In September 2016, the Alis sold a life insurance policy to BH.
23. BH passed away in December 2019, but the policy was not paid out because of non-disclosure of BH's medical condition. AL states that Amin counselled AL and BH to not disclose BH's medical condition. Amin received a \$604 commission for this policy.
24. In August 2016, AL unknowingly transferred her London Life segregated fund policies to Canada Life. AL was informed by the Alis that she was rebalancing within London Life and not changing companies at the time of the transfers. AL was not given any information regarding the Canada Life policies. These policy transfers resulted in new DSC schedules. AL incurred approximately \$2,500 in DSCs when she transferred her policies to Ivari two years later.
25. Saadia is listed as the advisor on the Canada Life policy applications. Saadia received approximately \$3,500 in commissions on the Canada Life policies.
26. In the summer of 2018, AL was instructed by the Alis to withdraw the cash value from a London Life whole life insurance policy, totalling approximately \$16,000.
27. AL provided Amin with a cheque for \$10,641, without filling out the payee information. Subsequently, the payee was entered as Castlebrook. AL was informed by the Alis that this money would be invested in her policies. The money was never invested in any of AL's policies.
28. In August 2019, AL met with Saadia regarding the \$10,641. Saadia stated that the Alis would cover the insurance premiums for one year to repay the misappropriated funds. AL declined and the Alis provided AL with \$10,000 in cash to partially repay the misappropriated funds.

SB and TB

29. Amin was the insurance advisor to SB and TB starting in 2010. SB and TB knew that Saadia was Amin's wife but were unaware that Saadia was part of the business transactions despite her presence in meetings with Amin.
30. In December 2015, Amin convinced SB and TB to purchase Canada Life segregated fund policies. SB and TB had London Life segregated fund policies at the time which were transferred to the Canada Life policies. Saadia is listed as the advisor on the Canada Life policy applications for SB and TB and received approximately \$13,000 in commissions on the policies.
31. The Alis did not explain the Canada Life policies to SB and TB and did not inform them of the financial consequences of the transfers. SB and TB ultimately incurred approximately \$2,600 in DSCs.
32. In October 2017, Amin convinced SB and TB to surrender the Paid-Up portion of two London Life Jubilee whole life insurance policies that they had owned since 1990. SB and TB received approximately \$8,000 from this surrender.
33. Amin failed to inform SB and TB that the surrender would result in tax consequences.
34. Throughout 2017, SB and TB provided Amin with three cheques totalling \$11,500 to invest in their policies, which were made payable to Anusha. This money was never invested in policies belonging to SB and TB.

ON and MN

35. In 2008, Amin became ON's advisor after her London Life advisor retired.
36. In 2012, Amin became MN's advisor. At no time did ON or MN believe Saadia to be their advisor or life insurance agent.
37. In 2013, MN's London Life segregated fund policy was transferred to an equivalent Canada Life segregated fund policy by the Alis, without her knowledge. MN discovered the transfer when she started receiving statements from Canada Life. Amin did not disclose that MN's policies were being transferred and MN did not knowingly sign any documents relating to the transfer. In total, MN incurred approximately \$24,500 in DSCs.
38. The Alis received commission from the transfer of MN's policy.

V. CONTRAVENTIONS OR FAILURES TO COMPLY WITH THE ACT

39. Section 439 of the Act provides that no person shall engage in an unfair or deceptive act or practice.
40. Section 1(5) of Ontario Regulation 7/00 states that it is an unfair or deceptive act or practice to make any false or misleading statements as to the terms, benefits or advantages of any contract or policy of insurance issued or to be issued.
41. Section 1(6) of Ontario Regulation 7/00 states that it is an unfair or deceptive act or practice to provide any incomplete comparison of any policy or contract of insurance with that of any other insurer for the purpose of inducing or intending to induce an insured to lapse, forfeit or surrender a policy or contract.
42. By transferring the above clients from London Life to Canada Life, the Alis misled the clients into believing that they were receiving an advantage by changing policies. The Alis provided an incomplete comparison of the policies by failing to disclose the negative financial implications of the transfer to the clients. In doing so, the clients unnecessarily transferred their policies and the Alis obtained a material economic benefit from the transfers.
43. Section 17(c) of Ontario Regulation 347/04 states that a life insurance agent is prohibited from making a false or misleading statement or representation in the solicitation or registration of insurance.
44. Section 17(d) of Ontario Regulation 347/04 states that a life insurance agent is prohibited from making or delivering an incomplete comparison of any policy or contract of insurance with that of another insurer in the solicitation or registration of insurance.
45. Through the above conduct, the Alis provided misleading information about the benefits of transferring their policies. The Alis did not provide a complete comparison of the policies to their clients in order to demonstrate that the transfer was in the clients' best interest. The clients were misinformed by the Alis that the new policies would be more advantageous, were not informed of the costs associated with the change, and, in the case of MN and AL, were not informed that they were transferring to a different insurance company.

VI. GROUNDS FOR REVOCATION OF LICENCE AND REFUSAL TO RENEW LICENCE

46. Section 392.4 of the Act states that the Chief Executive Officer may refuse to issue a licence where 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.

47. Section 7(4) of Ontario Regulation 347/04 states that the Chief Executive Officer may refuse renewal of an insurance agent licence on any grounds for which a licence may be suspended or revoked.
48. Section 392.5(1) of the Act states that the Chief Executive Officer may revoke or suspend an agent's licence to act as an insurance agent, if the agent has failed to comply with the Act, the regulations, or a condition of the licence.
49. Section 392.5(2) of the Act states that the Chief Executive Officer may revoke or suspend an agent's licence if any prescribed grounds for revoking or suspending a licence, or for refusing to issue a licence, exist.
50. Section 392.5 and Section 8 of Ontario Regulation 347/04 prescribe the circumstances the Chief Executive Officer may have regard to when determining whether an applicant is not suitable to be licensed, namely if it appears that the licensee has:
 - a) Violated any provision of the licence in the licensee's operations as an agent;
 - b) Made a material misstatement or omission in the application for the licence;
 - c) Been guilty of a fraudulent act or practice; or
 - d) Demonstrated incompetence or untrustworthiness to transact the insurance agency business for which the licence has been granted.
51. The conduct outlined above demonstrates that the Alis traded on the trust they had built up with their clients for their own economic benefit and to the detriment of their clients. The Alis have demonstrated untrustworthiness to transact insurance agency business. The Alis and Anusha received money from AL, SB and TB to invest in policies, but they did not use for that purpose. The Alis did not account for the money taken from the clients which amounted to over \$20,000.
52. By failing to explain the policy transfers and failing to disclose DSCs and tax implications, the Alis contravened sections 1(5) and 1(6) of Ontario Regulation 7/00 and sections 17(c) and 17(d) of Ontario Regulation 347/04 by making false or misleading statements about the benefits of the policies and by providing an incomplete comparison of the policies to the clients.
53. Further, Amin made a material omission in his February 21, 2020 renewal application by failing to disclose the MFDA investigation against him and the termination by London Life.
54. Saadia failed to disclose that she was also terminated from Canada Life and London Life in February 2018.

55. The Alis' false statements on their applications prevented FSRA from making an accurate determination of whether they should be accepted. The questions posed to those who apply for licenses or renewal 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.
56. Amin's insurance activity was carried out through Anusha. Given Amin's conduct above and that Amin is the owner and directing mind of Anusha, the Director is satisfied that Anusha will not transact insurance agency business with honesty and trustworthiness. As such, Anusha is not suitable to be licensed under the Act.
57. For these reasons, and subject to such further and other particulars as may come to the attention of the Director, the Director proposes to revoke the licenses of Saadia Ali and Amin Mohammad Ali and to refuse to renew Anusha Financial Group Inc.'s licence under the Act.

DATED at Toronto, Ontario, June 3, 2022

Elissa Sinha
Director, Litigation and Enforcement
By delegated authority from the Chief Executive Officer