
IN THE MATTER OF the *Insurance Act*, R.S.O. 1990, c. I.8, as amended (the “Act”), in particular sections 441.2 and 441.3;

AND IN THE MATTER OF Jay Sanjay Patel.

MINUTES OF SETTLEMENT AND UNDERTAKING

PART I – INTRODUCTION

1. Jay Sanjay Patel (“Patel”) was licensed as a Life Insurance and Accident and Sickness Agent (licence #19172696) under the Act between March 3, 2019, and March 2, 2021.
2. On July 15, 2022, the Director, Litigation and Enforcement (the “Director”), by delegated authority from the Chief Executive Officer (“CEO”) of the Financial Services Regulatory Authority of Ontario (“FSRA”), issued a Notice of Proposal in respect of Patel (the “NOP”).
3. Patel disputed the allegations and, on or about August 1, 2022, requested a hearing before the Financial Services Tribunal (the “Tribunal”) in respect of the NOP.
4. Patel and the Director, by delegated authority from the CEO, (collectively the “Parties”) wish to resolve this matter on consent and without a hearing before the Tribunal.

PART II – AGREED FACTS

(a) Background

5. During the relevant time Patel, Nirali Patel, and Pratik Gohel (“Gohel”) (together, the “Agents”) were contracted with the World Financial Group of Canada Inc. (“WFG”) as insurance agents. WFG is a managing general agency operating in Ontario and is licensed as an insurance agency under the Act (license #26687M).
6. Patel held the position of Marketing Director at WFG during the relevant time. Patel stated that he managed a team of seven persons at WFG, which included the other Agents. As part of their contract with WFG, this team acted as agents for Canada Protection Plan (“CPP”), a licensed insurance agency.
7. During the relevant time the Agents were sponsored by and contracted as insurance agents with Ivvari, a licensed insurance company.

8. Patel, with another person, incorporated Expedite Group of Companies Ltd. (“Expedite”), an employment agency, on December 5, 2019. Patel was the listed director of Expedite, which was a federally regulated corporation. Patel oversaw the activities of Expedite between November 2019 and July 2020.

(b) Misconduct Relating to the Sale of Insurance Policies

9. Expedite was essentially a front used by the Agents to generate fraudulent insurance business by targeting international students in financial need:
 - (i) The Agents lured international students (the “Students”) by advertising data entry employment opportunities with Expedite. The targeted Students were in need of employment and regular income so as to meet their expenses in Canada;
 - (ii) As part of the employment induction process, the Agents required the Students to provide personal information and documents, including their SINs and immigration documents. The Students uploaded the information to a link to Expedite’s website which was provided by the Agents or other persons involved with Expedite;
 - (iii) In some cases, the Agents sold Students insurance policies as part of the employment process. The Agents told the Students that purchasing a life insurance policy was a mandatory condition for employment at Expedite. The Agents incorrectly told some of these Students that they could get a refund on premiums paid if they cancelled their policies;
 - (iv) In other cases, the Agents purchased policies on behalf of Students without the Students fully understanding the nature of the product they were purchasing;
 - (v) Personal information collected from Students purportedly for employment was misused by the Agents to complete insurance application forms;
 - (vi) The Agents did not show the application forms to any of their Student “clients”;
 - (vii) Responses to a number of health and financial needs related questions in the policy application forms were entered on the basis of “assumptions” made by the Agents;
 - (viii) The Agents made no effort to ascertain if the applied for insurance policies were suited to the needs of the Students, who had no stable income and were temporarily residing in Canada under study permits; and
 - (ix) As a result of the policies identified below, Patel earned commission of \$1,654.24.

(c) CPP Policy sold by Patel and Nirali Patel to “AS” (the “AS Policy”)

10. The AS Policy was a CPP Preferred Life whole life insurance policy with face value of benefits amounting to \$117,000. Patel was named as AS’s advisor on the form.

11. At the time of the sale of the AS Policy, AS was an international student from India studying in Canada.
12. AS attended an online job interview with Nirali Patel and Jay Patel for what she was told was a data entry position with Expedite.
13. Patel applied for the AS Policy without AS fully understanding that she was purchasing an insurance policy.
14. Information relating to AS' medical history was entered on the basis of assumptions made by Nirali Patel and Patel and was not accurate.
15. Patel received commission of \$250.31 on the sale of the AS Policy.

(d) Ivori Insurance Policy sold by Patel to RP (the "RP Policy")

16. The RP Policy was a Single Life insurance policy with face value of benefits amounting to \$135,000. Patel was named as RP's advisor on the form.
17. At the time of the sale of the RP Policy, RP was an international student from India studying in Canada.
18. RP and her husband met Jay Patel to discuss a data entry job with Expedite.
19. RP did not complete the application form used to apply for the RP Policy. The signature on the application form was not hers, and the application form contained incorrect information.
20. Incorrect and/or misleading information relating to employment, income and health was entered into the application form for the RP Policy and subsequently submitted to Ivori.
21. Patel received commission of \$468.77 on the sale of the RP Policy.

(e) Ivori Insurance Policy sold by Gohel and Patel to "SA" (the "SA Policy")

22. The SA Policy was a Single Life insurance policy with face value of benefits amounting to \$210,000. Patel and Gohel were named as SA's advisors on the form.
23. At the time of the sale of the SA Policy, SA was an international student from India studying in Canada.
24. Gohel offered SA a part time job with Expedite.
25. SA never discussed purchasing a life insurance policy with Gohel and had no intention of doing so.
26. SA did not complete the application form for the SA Policy. The signatures on the application form and related documents were not hers.

27. Incorrect and/or misleading information relating to SA's employment and income was entered into the application form for the SA Policy and subsequently submitted to Ivori.
28. Patel received commission of \$131.22 on the sale of the SA Policy.

(f) CPP Insurance Policy sold by Patel and Gohel to "SP" (the "SP Policy")

29. The SP Policy was a CPP Simplified Elite Whole Life insurance policy with face value of benefits amounting to \$125,000. Gohel was named as SP's advisor on the form. However, Patel interacted with SP and sold her the SP Policy.
30. At the time of the sale of the SP Policy, SP was an international student from India studying in Canada.
31. SP attended a job recruitment session for a position with Expedite.
32. Patel and Gohel used information collected from SP on the pretext of the job offer with Expedite to complete the sale of the SP Policy without the knowledge or consent of SP.
33. Patel received commission of \$268.36 on the sale of the AS Policy.

(g) CPP Insurance Policy sold by Patel to "SS" (the "SS Policy")

34. The SS Policy was a CPP Simplified Elite Whole Life insurance policy with face value of benefits amounting to \$117,000. Patel was named as SS's advisor on the form.
35. At the time of the sale of the SS Policy, SS was an international student from India studying in Canada.
36. SS attended a job recruitment session for position with Expedite. During the session, Patel explained the benefits of an insurance policy.
37. Patel told SS that he would pay the initial premium payment, and then would cancel the policy. SS agreed to this.
38. Patel admits that he did not show or explain the entire application form for the SS Policy to SS. The medical information and other sections on the form were completed on the basis of assumptions made by Patel.
39. Patel received commission of \$535.58 on the sale of the SS Policy.

(h) False Information to FSRA

40. Patel attended for an interview with FSRA on April 12, 2021 (the "Interview").
41. During the course of the Interview, Patel provided false, misleading or incomplete information, including denying that he was involved in the activities of Expedite.

PART III – NON-COMPLIANCE WITH THE ACT

42. By engaging in the conduct described above in Part II, Patel admits and acknowledges that they breached the Act as follows:
- (i) Engaging in an UDAP by paying or offering to pay life insurance premiums, contrary to section 439 of the Act;
 - (ii) Using coercion and undue influence in order to secure insurance business, contrary to subsection 17(a) of Ontario Regulation 347/04;
 - (iii) Making false and misleading statements and representations, contrary to subsection 17(c) of Ontario Regulation 347/04; and
 - (iv) Furnishing false information to FSRA, contrary to clause 447(2)(a) of the Act.

PART IV – TERMS OF SETTLEMENT

43. Patel admits the facts contained in Part II of these Minutes.
44. Patel acknowledges and agrees that they have been given the opportunity to seek independent legal advice and they have done so (or have waived the right to do so) and are entering into these Minutes of Settlement and Undertaking (“Minutes”) voluntarily, understanding the consequences of doing so.
45. Patel acknowledges that these Minutes are an undertaking within the meaning of the Act, and that failure to comply may result in immediate regulatory action including, but not limited to, the issuance of a Notice of Proposal to revoke the licence, a Notice of Proposal to impose an administrative penalty, or a prosecution under the *Provincial Offences Act*.
46. Patel agrees and undertakes that they will act as a witness at any hearing in respect of Gohel and/or Nirali Patel, and that they will testify in accordance with the facts as set out in Part II of these Minutes.

(a) Issuance of Order

47. Patel acknowledges that, upon execution of these Minutes by both Parties, the order attached as Schedule “A” to these Minutes (the “Order”) will be issued, pursuant to which four administrative penalties in the total amount of \$55,000 will be imposed on Patel as follows:
- (i) \$10,000 for engaging in UDAP by paying or offering to pay life insurance premiums, contrary to section 439 of the Act;
 - (ii) \$20,000 for using coercion and undue influence in order to secure insurance business, contrary to subsection 17(a) of Ontario Regulation 347/04;

- (iii) \$15,000 for making false and misleading statements and representations, contrary to subsection 17(c) of Ontario Regulation 347/04; and
- (iv) \$10,000 for furnishing false information to FSRA, contrary to clause 447(2)(a) of the Act.

(b) Process for Execution of Settlement

- 48. Patel acknowledges that these Minutes are not binding on the Director until signed by the Director.
- 49. These Minutes may be executed in counterparts, and may be executed and delivered by facsimile or e-mail, and all such counterparts and facsimiles or e-mails, as applicable, shall together constitute one and the same agreement.
- 50. Upon receiving an executed copy of these Minutes from FSRA, Patel will withdraw their Request for Hearing (Form 1) in respect of the NOP before the Tribunal by completing a Withdrawal/Discontinuance (Form 5) and filing it with the Registrar at the Tribunal within two(2) business days.
- 51. Upon confirmation from the Tribunal that the Request for Hearing has been withdrawn and the hearing has been cancelled, the Parties agree that the Director will issue an Order in the form attached as Schedule "A" to these Minutes.
- 52. The Parties accept and understand that these Minutes and any rights within the Minutes shall enure to the Parties and to any successors or assigns of the Parties.

(c) Disclosure of Minutes and Order

- 53. The Parties will keep the terms of these Minutes and the Order confidential until the Order is issued, except that:
 - (i) The Director shall be permitted to disclose the Minutes and the Order within FSRA; and
 - (ii) The Parties shall be permitted to inform the Financial Services Tribunal.
- 54. If either of the Parties do not sign these Minutes or the Director does not issue the Order:
 - (i) These Minutes, the Order, and all related discussions and negotiations will be without prejudice to FSRA and Patel; and
 - (ii) FSRA and Patel will each be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of the allegations contained in the NOP. Any proceedings, remedies and challenges will not be affected by these Minutes, the Order, or any related discussions or negotiations.

55. Upon issuance of the Order:

- (i) Patel agrees that these Minutes and the Order form part of their administrative record for the purposes of any future licensing decision or as an aggravating factor in respect of a future administrative penalty or prosecution against them or any affiliated entities;
- (ii) Patel acknowledges that these Minutes and the Order are public and will be published by FSRA on its public website (or that of its successor) along with a press release that summarizes these Minutes and the Order; and
- (iii) The Parties agree not to make representations to any member of the public or media or in a public forum that are inconsistent with these Minutes or the Order.

(d) Further Proceedings

56. Whether or not the Order is issued, Patel will not use, in any proceeding, these Minutes or the negotiation or process of approval of these Minutes as the basis for any attack on FSRA's jurisdiction, alleged bias, alleged unfairness, or any other remedies or challenges that may be available.

57. Upon issuance of the Order:

- (i) Patel waives all rights to a hearing before the Tribunal regarding the NOP;
- (ii) Patel waives all rights to a judicial review or appeal of the Order;
- (iii) The Director agrees that FSRA will not take any further proceedings against Patel arising solely from the facts contained in Part II of these Minutes, unless facts not disclosed by Patel come to the attention of FSRA that are materially different from those contained in Part II of these Minutes or Patel fails to comply with any term in the Order; and
- (iv) Patel agrees that should they fail to comply with any term in these Minutes or the Order, FSRA is entitled to bring any proceedings available to it.

DATED _____ in the City of _____ ,

Jay Sanjay Patel

Witness
Print name:

DATED at Toronto, Ontario,

Elissa Sinha
Director, Litigation and Enforcement
Financial Services Regulatory Authority of Ontario

By delegated authority from the Chief Executive Officer

APPENDIX A

IN THE MATTER OF the *Insurance Act*, R.S.O. 1990, c. I.8, as amended (the “Act”), in particular sections 441.2 and 441.3;

AND IN THE MATTER OF Jay Sanjay Patel (“Patel”)

ORDER

Patel was licensed as a Life Insurance and Accident and Sickness Agent (licence #19172696) under the Act between March 3, 2019, and March 2, 2021.

On July 15, 2022, 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”) issued a Notice of Proposal to impose administrative penalties on Patel.

A Request for Hearing (Form 1) dated August 1, 2022, was delivered to the Financial Services Tribunal (the “Tribunal”) in accordance with section 441.3(5) of the Act respecting the Notice of Proposal.

On [date], Patel withdrew the Request for Hearing, and, on [date] the Tribunal closed its file in respect of this matter. Therefore, pursuant to section 441.3(7) of the Act, the Director makes the following order.

ORDER

Administrative penalties in the total amount of \$55,000 are hereby imposed on Jay Sanjay Patel, for the reasons set out in the Notice of Proposal.

TAKE NOTICE THAT the Financial Services Regulatory Authority of Ontario will deliver an invoice to Jay Sanjay Patel with information as to where and how to pay the administrative penalties. Jay Sanjay Patel must pay the administrative penalties no later than eighteen (18) months after the order is issued.

If Jay Sanjay Patel fails to pay the administrative penalties in accordance with the terms of this Order, the Chief Executive Officer may file the Order with the Superior Court of Justice and the Order may be enforced as if it were an order of the court. An administrative penalty that is not paid in accordance with the terms of the order imposing the penalty is a debt due to the Crown and is enforceable as such.

DATED at Toronto, Ontario,

Elissa Sinha
Director, Litigation and Enforcement

By delegated authority from the Chief Executive Officer

Si vous désirez recevoir cet avis en français, veuillez nous envoyer votre demande par courriel immédiatement à : contactcentre@fsrao.ca.