



Financial Services Regulatory
Authority of Ontario



Autorité ontarienne de réglementation
des services financiers

IN THE MATTER OF the *Insurance Act*, R.S.O. 1990, c.l.8, as amended (the “Act”), in particular sections 392.5, 407.1, 441, 441.2 and 441.3;

AND IN THE MATTER OF Yogender Jain, Gold Standard Group Inc., and Daniel Emerson Tiffin.

**NOTICE OF PROPOSAL TO REVOKE LICENCE,
IMPOSE ADMINISTRATIVE PENALTIES,
AND IMPOSE COMPLIANCE ORDER**

TO: Yogender Jain

AND TO: Gold Standard Group Inc.
9251 Yonge Street, 8-251
Richmond Hill, Ontario, Canada L4C 9T3

AND TO: Daniel Emerson Tiffin

YOGENDER JAIN

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 and sickness insurance agent licence issued to Yogender Jain (“Jain”).

AND TAKE NOTICE THAT pursuant to section 441.3 of the Act, and by delegated authority from the Chief Executive Officer, the Director is proposing to impose four (4) administrative penalties in the total amount of \$100,000 on Jain as follows:

- i. An administrative penalty in the amount of \$25,000 for making false and misleading statements in soliciting or registering insurance contrary to section 17(c) of Ontario Regulation 347/04;
- ii. An administrative penalty in the amount of \$40,000 for inducing an insured under an existing life insurance contract to surrender the contract for consideration contrary to the insured’s interests, and contrary to section 17(b)(ii) of Ontario Regulation 347/04;

- iii. An administrative penalty in the amount of \$25,000 for directly or indirectly permitting compensation to be paid to a non-licensee contrary to section 403 of the Act; and
- iv. An administrative penalty in the amount of \$10,000 for making false and misleading statements to FSRA contrary to section 447(2)(a) of the Act.

GOLD STANDARD GROUP INC.

TAKE NOTICE THAT pursuant to section 441.3 of the Act, and by delegated authority from the Chief Executive Officer, the Director is proposing to impose three (3) administrative penalties in the total amount of \$100,000 on Gold Standard Group Inc. (“Gold Standard”) as follows:

- i. An administrative penalty in the amount of \$30,000 for making false and misleading statements in soliciting or registering insurance contrary to section 17(c) of Ontario Regulation 347/04;
- ii. An administrative penalty in the amount of \$30,000 for inducing an insured under an existing life insurance contract to surrender the contract for consideration contrary to the insured’s interests, and contrary to section 17(b)(ii) of Ontario Regulation 347/04; and
- iii. An administrative penalty in the amount of \$40,000 for directly or indirectly permitting compensation to be paid to a non-licensee contrary to section 403 of the Act.

DANIEL EMERSON TIFFIN

TAKE NOTICE THAT pursuant to section 441.3 of the Act, and by delegated authority from the Chief Executive Officer, the Director is proposing to impose an administrative penalty in the amount of \$50,000 on Daniel Emerson Tiffin (“Tiffin”) for contravening section 2(1) of Ontario Regulation 347/04 by acting as an insurance agent without a licence.

AND TAKE NOTICE THAT pursuant to section 441 of the Act, and by delegated authority from the Chief Executive Officer, the Director has made a Report, attached as Schedule “A”, and is proposing to order Tiffin to immediately cease the following activities:

- i. acting as an insurance agent in Ontario;
- ii. collecting commissions, directly or indirectly, on any insurance business in Ontario; and
- iii. engaging in the business of insurance in Ontario.

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), 407.1(3), 441(3), 441(5), 441.3(2) AND 441.3(5) 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 W, Suite 100
Toronto, ON M2N 6S6

Attention: Registrar

Fax: 416-226-7750

Email: contact@fstontario.ca

For additional copies of the Request for Hearing Form (Form 1), visit the Tribunal's website at www.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. TAKE FURTHER NOTICE of the payment requirements in section 5 of Ontario Regulation 408/12, which state that the penalized person or entity shall pay the penalty no later than thirty (30) days after the person or entity is given notice of the order imposing the penalty, after the matter is finally determined if a hearing is requested, or such longer time as may be specified in the order.

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 of the Director to:
 - i. revoke the insurance agent licence issued to Yogender Jain (“Jain”);
 - ii. impose administrative penalties on Jain, Daniel Emerson Tiffin (“Tiffin”), and Gold Standard Group Inc. (“Gold Standard”); and
 - iii. impose a compliance order on Tiffin.
2. Jain, Tiffin and Gold Standard operated an illegal scheme from 2019 to early 2021 whereby Jain and Gold Standard, licensed life insurance agents, assisted Tiffin in engaging in unlicensed insurance business activity and indirectly paid compensation to Tiffin for placing or negotiating life insurance.
3. Further, Jain and Gold Standard indirectly induced and caused numerous clients to switch their policies. The associated fees were detrimental to the clients and the associated commissions benefitted Jain and Gold Standard.

II. BACKGROUND

4. Jain is a licensed life insurance and accident & sickness insurance agent (licence # 19172392) under the Act. Jain has been licensed since February 14, 2019. Jain’s licence has an expiry date of February 13, 2023.
5. Jain was contracted with HUB Financial Incorporated (“Hub”), a Managing General Agency (“MGA”), until December 25, 2020. The relationship was terminated by Hub.
6. Tiffin was formerly a licensed life insurance and accident & sickness insurance agent (licence # 93005788) under the Act. Tiffin was licensed from April 1, 1994, until February 7, 2019. The last business address Tiffin reported for licensing purposes was 30 Via Renzo Drive, Richmond Hill, Ontario (“30 Via Renzo”). Tiffin employed an administrative assistant, RD.
7. On February 11, 2019, Tiffin applied to renew his life insurance agent licence, which had expired on February 7, 2019. This application was subsequently withdrawn after discussions with FSRA, and Tiffin’s licence was not renewed.
8. Tiffin is the owner of Global Demographics Inc. (“Global Demographics”). Global Demographics was previously licensed as a life insurance and accident & sickness agent (licence # 34730M) between November 26, 2017 and November 26, 2019. Global Demographics’ licence was not renewed past 2019. The address provided

to the Financial Services Commission of Ontario (“FSCO”), the previous regulator for the insurance sector, for Global Demographics’ licence was 30 Via Renzo.

9. Gold Standard was incorporated on July 26, 2018. Jain became an officer of Gold Standard on January 1, 2019. Gold Standard was licensed as a life insurance and accident & sickness agent (licence # 67658M) from August 12, 2020, until August 12, 2022. Jain was the designated agent for Gold Standard. The address of Gold Standard given to FSRA for licensing purposes was 30 Via Renzo.
10. Jain is the Vice-President and only officer of Gold Standard. Jain owns 20% of the shares in Gold Standard. The other 80% of shares are held by an unlicensed individual, AA, in trust.
11. Like Jain, Gold Standard was contracted with Hub. Gold Standard’s relationship with Hub was also terminated by Hub effective December 25, 2020. Hub alerted Industrial Alliance (“iA”) and the Canada Life Assurance Company (“Canada Life”) to their concerns about Jain, especially churning.
12. On February 5, 2021, FSRA received a Life Agent Reporting Form (“LARF”) from iA regarding Jain. The LARF contained allegations including churning, fronting, product–client suitability issues, and a lack of cooperation with iA’s investigation. iA terminated its association with Jain the same day.
13. On May 7, 2021, FSRA received a LARF from Canada Life regarding Jain, with allegations of churning and issues with product suitability. Canada Life terminated its contract with Jain on April 9, 2021.
14. FSRA investigated the allegations contained in the LARFs and, in the course of doing so, interviewed Jain and spoke with several clients who had been clients of Tiffin before switching to Jain including DS, DP, PB, EA, IM, and JM.
15. In December 2022, JH contacted FSRA with information about Jain, Gold Standard and Tiffin. JH worked for Tiffin on a contract basis from 2006 to 2022. FSRA interviewed JH and he also provided documents.

III. FACTS

A. Tiffin’s Securities Act Convictions

16. In 2014, the Ontario Securities Commission (“OSC”) issued a cease trade order against Tiffin and his company, Tiffin Financial Corporation, prohibiting them from trading in securities for five years.
17. Tiffin and his company were later charged with provincial offences under the *Securities Act*, R.S.O. 1990, c. S.5, alleging that they violated the cease trade order by soliciting loans from clients in the form of promissory notes.

18. Tiffin and the company were acquitted in a decision of the Ontario Court of Justice dated August 31, 2016. The OSC appealed the acquittal to the Ontario Superior Court of Justice, which substituted convictions on September 26, 2018.
19. On March 16, 2020, the Ontario Court of Appeal upheld the convictions. The Court imposed a 24-month probation order and a restitution order for the full amount of the loans (\$624,500) on Tiffin and the company.

B. Tiffin’s Former Clients are Transferred to Jain

20. In October 2018, after Tiffin was convicted, iA terminated its contract with Tiffin. Tiffin’s clients were re-assigned to other agents from Tiffin’s former MGA.
21. AA, who owned Gold Standard, encouraged Jain to become licensed and work with Tiffin and Gold Standard. AA knew Jain from a spiritual group. Jain received his insurance agent licence in February 2019.
22. Since Tiffin’s clients had already been re-assigned to other agents, agent-of-record (“AOR”) changes were initiated on a contract-by-contract basis by Jain for Tiffin’s former clients. Jain took over as AOR for 40 clients with iA whom Tiffin previously serviced. These AOR changes occurred between February 2019 and October 2020, with 36 of the clients having their AOR changes in the eight-month span from October 1, 2019, to May 31, 2020.
23. Tiffin facilitated the transition of AOR by telling clients that he was retiring soon and that a new agent would help manage their accounts. Tiffin told clients he was going to continue providing advice.
24. Hub reported paying the following commissions to Jain and Gold Standard in 2019 and 2020. The scale of the commissions was noted by Hub to be high for a new agent. The majority of the commissions were for clients that were previously serviced by Tiffin:

Commission Type	2019	2020
Sales Commissions	\$95,916.77	\$661,408.01
Trailer Commissions	\$1,211.35	\$55,286.68
	Total	\$813,822.81

25. Until mid-November 2020, Hub paid all of the commissions, totalling \$741,900.93, directly to Jain personally. Hub paid Gold Standard commissions totaling \$37,020.38 in November and December 2020.
26. Jain told FSRA that when he received commissions personally, he transferred all the money to Gold Standard.
27. JH told FSRA that Global Demographics/Tiffin and Gold Standard split commissions 50/50 for Tiffin’s former clients who were transferred to Jain.

28. Gold Standard nominally paid Tiffin in the form of professional service fees. In an income verification letter dated August 26, 2019, and apparently issued by Gold Standard, Tiffin was stated to be employed with Gold Standard as the Chief Financial Strategist and Corporate Trainer, receiving a fee of \$250 per hour.

C. Tiffin's Unlicensed Activity

29. After his licence expired and Jain was made the AOR, Tiffin continued to meet with his clients, sometimes without Jain present. Tiffin continued to provide clients with advice on what segregated funds they should use. Clients generally reported that they saw Tiffin as their "insurance advisor" and Jain as the licensed person who completed the transactions with the insurers.
30. RD completed the required insurance forms and Jain signed them before they were submitted to insurers.
31. Some clients never spoke with Jain at all, while others reported never meeting with Jain in person. For example:
- i. DS never met with Jain at all;
 - ii. DP never met with Jain but recalled that Jain called once or twice to introduce himself;
 - iii. PB dealt with Tiffin exclusively but knew of Jain's involvement in the "agency"; and
 - iv. IM and EA reported that they had never met with Jain in person but had communicated with him by email and phone.
32. Several clients specifically identified Tiffin as the person managing their segregated funds and providing them with insurance advice. Specifically:
- i. DS identified Tiffin as the person who managed his accounts at all relevant times. DS understood that Tiffin used Jain to do paperwork;
 - ii. PB recalled moving his segregated funds from iA to Canada Life after Tiffin advised him that Canada Life had better returns; and
 - iii. EA and IM reported getting an email from Tiffin in around March 2020, suggesting they move their iA segregated funds to Canada Life because the Canada Life funds had stronger returns.
33. JH reported that:
- i. Tiffin's clients trusted him and he had a long history with many of them;

- ii. Tiffin would advise clients about which products were best, while Jain was responsible for signing paperwork;
- iii. RD prepared the required forms and Jain signed them as AOR before they were submitted to insurers;
- iv. JH witnessed Tiffin meet with Jain's clients and advise them on segregated funds; and
- v. Initially, Jain would not sit in on client meetings with Tiffin but, due to some concerns about regulatory compliance, Jain did start to attend the meetings along with Tiffin. However, even then JH believes that it was Tiffin giving advice to clients and instructing Jain on how to proceed.

D. Jain Switches Client Policies Resulting in Large, Unexpected Deferred Sales Charges and Significant Commissions

- 34. Between November 2019 and December 2020, Jain transferred 41 clients from iA to Canada Life. Of these 41 clients, 40 were the former Tiffin clients that had been transferred to Jain through the AOR change requests. All 41 clients were invested in segregated funds.
- 35. Jain's clients paid significant deferred sales charges ("DSCs") for leaving their iA funds for Canada Life. The total DSCs paid by Jain's 41 clients transferring from iA to Canada Life were \$196,918.82.
- 36. Several clients reported that they were unaware of the DSCs they would incur on transferring out of iA:
 - i. DP stated he was not aware of the DSCs. DP paid DSCs of \$5,932.57;
 - ii. PB stated he was not aware of the DSCs. PB paid DSCs of \$528.34; and
 - iii. EA and IM specifically thought they were not going to incur any DSCs as Tiffin told them the move would be at no cost. EA paid DSCs of \$2,488.69 and IM paid DSCs of \$14,291.81.
- 37. Jain had 59 clients at Canada Life. Only 6 clients had new policies; all other policies were transferred from other insurers, including the 41 clients who were transferred from iA. All 59 clients were put into a combination of the same three funds: a US growth fund, a science and technology fund, and a money market fund.
- 38. Of Jain's 59 clients at Canada Life, 54 clients were invested in funds with DSC schedules, representing 93% of all money invested by Jain's clients at Canada Life. The DSC schedules are for 7 years, which means that if clients withdraw their money within 7 years, they have to pay DSCs.

39. Canada Life paid significant first-year commissions to Jain for the transfers during his relatively short agent tenure. From January 2020 to April 2021, Canada Life paid \$582,584.68 to Hub for Jain's first-year commissions. Most of these commissions, over \$300,000, were commissions paid for new policies from the 41 former iA clients.
40. Jain could provide no satisfactory explanation for the mass transfer of clients from iA to Canada Life and incurring these substantial DSCs. Jain told a FSRA investigator during his August 2021 interview that clients did not care about DSCs and that they were adamant about wanting to move despite the costs. In Jain's March 2021 written statement to FSRA, Jain wrote that clients were unhappy with the service they were receiving at iA and wanted to adjust their portfolios for the expected drop in the stock market. Jain did not explain how a US growth or science and technology fund would be well-positioned for a stock market drop.
41. Jain told FSRA during his interview that he regularly used the Canada Life reimbursement program so that he would not get extra commissions for transfer-outs from other insurers. However, Canada Life confirmed that Jain only used the Canada Life reimbursement program for two policies that were transferred to Canada Life. Between these two policies, Jain reimbursed a total of \$15,285.35.
42. Canada Life determined that Jain investing his entire client base in just three funds indicated that he was not recommending funds that met clients' individual needs. They determined that Jain appeared to be churning clients through funds with DSC schedules.

E. Jain's Misleading Statements to Insurers and Hub

43. When Jain signed insurance documents for iA and Canada Life as the insurance agent, he implicitly indicated that he was the individual acting as the agent for these clients when in reality it was Tiffin, a non-licensee. His signature on the documents was misleading.
44. Further, Jain signed the Canada Life transfer authorization forms in the "Signature of advisor/guarantor" signature box. The form specifies that when signing as a guarantor, the individual is verifying that they have checked the client's identity, and that they appear to be signing the document with a sound mind and free will.
45. Jain was, at best, misleading Canada Life when he signed in the guarantor box because he could not have verified the identity, willingness or mental capacity of DS, DP, IM or EA when he signed their transfer authorization forms. He had never met them.
46. While being investigated by Hub, Jain made further misleading statements. Hub interviewed Jain and asked about where his clients were from. Jain told them his clients came from AA and that he was not sure where AA got the clients from. In

doing so, Jain actively attempted to conceal the arrangements between Gold Standard and Global Demographics/Tiffin and Tiffin's ongoing relationship with the clients.

F. Jain's Misleading Statements to FSRA and Failure to Respond Fully to an Inquiry

47. On March 11, 2021, a FSRA staff member contacted Jain with questions related to the LARF that had been received from iA.
48. Jain replied to the FSRA questions in writing on March 17, 2021, stating that:
 - i. He had "no relationship with Daniel Tiffin (including Tiffin Financial Corporation / Global Demographics Group Inc.)";
 - ii. The source of his clients is through marketing activities, networking and referrals;
 - iii. Clients were informed about the costs of all transactions; and
 - iv. He did not share his commissions with another individual and all commissions were received by Gold Standard for tax purposes.
49. A FSRA investigator interviewed Jain on August 30, 2021, pursuant to an inquiry letter dated August 20, 2021.
50. Jain told the FSRA investigator that:
 - i. He had "no business relationship" with Tiffin;
 - ii. His relationship was "one way" with Tiffin providing mentorship but Jain not really providing anything;
 - iii. Tiffin never directly provided any leads to him, though he would from time-to-time introduce him to people that may want to do business with him;
 - iv. Some clients did communicate with Tiffin but he was not aware of the nature of those discussions;
 - v. He told clients that he would rebate them DSCs that were incurred when switching to Canada Life;
 - vi. He was not a director or officer of Gold Standard; and
 - vii. He had no "direct knowledge" that the commissions he was receiving were being distributed to Tiffin.

51. Also on August 30, 2021, and pursuant to a discussion about putting certain questions in writing so that Jain could formulate his responses, FSRA issued another inquiry letter. The inquiry letter outlined seven questions for Jain to respond to by September 13, 2021 (extended on request to September 29, 2021).

52. In Jain's response letter on September 29, 2021, he gave the following description of his relationship with Tiffin:

Most importantly, I can assure you that I did NOT work with nor ever share my commissions with Mr. Tiffin or his companies. I truly wanted nothing to do with Mr. Tiffin from the day I was introduced to him years ago, following my own due diligence. I reserve the right to keep my reasons for not wanting to associate with Mr. Tiffin private. Unfortunately, some of my clients knew him from the past, as he was a licensed agent with iA for many years, hence the confusion surrounding this investigation. Regardless, I wish I had never met him as I never wanted to be associated with him or his companies in any way, shape or form.

53. In the August 30, 2021, inquiry letter, Jain was asked to provide certain documents and records, such as his notes on client instructions and needs analysis, a spreadsheet with details related to DSC paybacks to clients, and a list of clients associated with Tiffin. Jain never provided the requested documents to FSRA.

54. On all three of the occasions referred to above, Jain misrepresented to FSRA his dealings with Tiffin, clients, and Gold Standard.

IV. CONTRAVENTIONS OR FAILURES TO COMPLY WITH THE ACT

A. Jain's and Gold Standard's Contraventions or Failures to Comply with the Act

55. Gold Standard was a corporate life insurance agent who acted through Jain, its designated agent and an officer of the company. Jain told a FSRA investigator that he put all his insurance business through Gold Standard for tax purposes and that he transferred all commissions he personally received to the company. Gold Standard was also directly paid \$37,020.38 by Hub for Jain's commissions. As such, the Director is satisfied that Gold Standard operated through Jain.

i. False or misleading representations to insurers

56. Section 17(c) of Ontario Regulation 347/04 prohibits an agent from making a false or misleading statement or representation in soliciting or registering insurance.

57. The Director is satisfied that Jain and Gold Standard contravened the Act by providing iA and Canada Life with false or misleading statements during the solicitation or registration of insurance with respect to Tiffin's former clients.

58. Jain signed the Canada Life transfer authorization forms verifying that he had checked the client's identity, and confirming that the clients appeared to be signing the document with a sound mind and free will. Jain could not have verified this information as he had never met some of the clients for which he signed the forms.

59. Further, Jain's name and signature on iA and Canada Life insurance documents as the advisor was a misleading statement to the insurers. Jain's signature on the forms implied that he was acting as the agent for the clients, whereas he knew that Tiffin was actually advising these clients and acting as their agent.

ii. Inducing insureds to surrender life insurance contracts in order to enter into other contracts, contrary to the insureds' interests

60. Section 17(b)(ii) of Ontario Regulation 347/04 prohibits an agent from directly or indirectly inducing, or attempting to induce, an insured to surrender an existing life insurance contract for consideration, contrary to their interests. The inducement must be for the purpose of encouraging the insured to enter into another contract for life insurance.

61. Jain allowed Tiffin to advise clients to switch from iA segregated funds to Canada Life segregated funds and signed the forms needed to complete the transfers. In doing so, Jain indirectly induced clients to surrender their existing contracts with iA for consideration for the purpose of encouraging the insureds to enter new contracts for life insurance with Canada Life.

62. The transfers from iA to Canada Life were contrary to the interests of the insureds. The iA segregated funds were already in DSC schedules, and many clients paid significant DSCs to transfer out. The new Canada Life funds were also DSC funds with a new DSC schedule. If clients transferred out before the end of the 7-year DSC schedules, they would have to pay DSCs again.

63. In addition, the transfers to Canada Life from iA generated first-year commissions for Jain and Gold Standard in the amount of more than \$300,000 in under two years.

64. The Director is satisfied that Jain and Gold Standard indirectly induced insureds to surrender life insurance contracts, contrary to their interests.

iii. Permitting commissions to directly or indirectly be paid to a non-licensee

65. Section 403(1) makes it an offence for an agent of an insurer to directly or indirectly pay or allow, or agree to pay or allow, compensation to a non-licensee for placing or negotiating life insurance in Ontario, or for attempting to do so.

66. Jain was acting as an agent for iA and Canada Life and they paid commissions to him personally (which he remitted to Gold Standard), or directly to Gold Standard, for placing or negotiating life insurance for Tiffin's former clients. Gold Standard then remitted compensation to Global Demographics for Tiffin's role in advising clients with regard to their life insurance.

67. The Director is satisfied that Jain and Gold Standard indirectly paid compensation to Tiffin, who was not licensed, for placing or negotiating life insurance.

iv. False or misleading representations to FSRA

68. Under section 447(2)(a), it is an offence to directly or indirectly furnish false, misleading or incomplete information to FSRA.

69. The Director is satisfied that Jain contravened the Act by making numerous false or misleading statements to FSRA. Jain repeatedly falsely stated that he did not work with Tiffin, did not share commissions with Tiffin, did not receive direct referrals from Tiffin, and that the two had no business relationship. Jain also made other false or misleading representations during his FSRA interview, such as indicating he was not an officer of Gold Standard.

B. Tiffin Acted as an Agent without a Licence

70. Subsection 2(1) of Ontario Regulation 347/04 prohibits a person from acting as an agent unless they are licensed.

71. Section 1 of the Act defines an insurance agent as a person who solicits insurance on behalf of an insurer, who transmits an application for, or policy of insurance to or from an insurer, or who acts in the negotiation or renewal of insurance with an insurer.

72. The Director is satisfied that Tiffin acted as an insurance agent without a licence. In particular:

- i. Tiffin provided clients with insurance advice including suggestions for particular insurance products;
- ii. Tiffin recommended insurance products with clients in private meetings without actual and/or effective supervision by Jain; and
- iii. Tiffin's administrative assistant, RD, completed application and transfer forms, including specifics about which insurance products were being selected, and then gave the forms to Jain to sign and submit.

V. GROUNDS TO REVOKE JAIN'S LICENCE

73. 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.

74. 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.

75. Section 8(d) of Ontario Regulation 347/04 states that the Chief Executive Officer may suspend or revoke a licence if, after due investigation and hearing, it appears to the Chief Executive Officer that the licensee has demonstrated incompetence or untrustworthiness to transact the insurance agency business for which the licence has been granted.
76. The Director is satisfied that Jain contravened sections 403 and 447(2)(a) of the Act, and sections 17(b)(ii) and 17(c) of Ontario Regulation 347/04, as described above. These serious contraventions demonstrate a lack of trustworthiness and competence.
77. The Director is further satisfied that Jain demonstrated incompetence and untrustworthiness in the following instances:
- i. Jain allowed Tiffin to continue to advise clients about their life insurance, despite being aware he no longer had an active licence;
 - ii. Jain attempted to mislead Hub during its investigation of his activities, including telling them that his business came mostly from AA's network and that he did not know where AA got his contacts from; and
 - iii. Jain lied to FSRA on multiple occasions during its investigation and failed to provide documents requested via an inquiry letter.
78. FSRA relies on licensees to provide it with truthful and accurate information in order to regulate the insurance sector. Jain's provision of false information to FSRA on multiple occasions strongly indicates that he is not suitable to be licensed.
79. The Director is satisfied that Jain will not transact insurance agency business with honesty and trustworthiness. As such, he is not suitable to be licensed under the Act. The Director is of the belief that any lesser sanction, such as suspension or licence conditions, would not reflect the severity of Jain's conduct and would not adequately protect the public.

VI. GROUNDS FOR IMPOSING ADMINISTRATIVE PENALTIES

80. The Director is satisfied that imposing administrative penalties on Jain, Gold Standard, and Tiffin under section 441.3(1) of the Act for the contraventions identified above will satisfy one or both of the following purposes under section 441.2(1) of the Act:
- i. To promote compliance with the requirements established under the Act; and
 - ii. To prevent a person from deriving, directly or indirectly, any economic benefit because of contravening or failing to comply with a requirement established under the Act.

A. Administrative Penalties to be Imposed on Jain and Gold Standard

81. The Director is satisfied that four (4) administrative penalties in the total amount of \$100,000 should be imposed on Jain:
- i. An administrative penalty in the amount of \$25,000 for making false and misleading statements in soliciting or registering insurance contrary to section 17(c) of Ontario Regulation 347/04;
 - ii. An administrative penalty in the amount of \$40,000 for inducing an insured under an existing life insurance contract to surrender the contract for consideration contrary to the insured's interests, and contrary to section 17(b)(ii) of Ontario Regulation 347/04;
 - iii. An administrative penalty in the amount of \$25,000 for directly or indirectly permitting compensation to be paid to a non-licensee contrary to section 403 of the Act; and
 - iv. An administrative penalty in the amount of \$10,000 for making false and misleading statements to FSRA contrary to section 447(2)(a) of the Act.
82. The Director is further satisfied that three (3) administrative penalties in the total amount of \$100,000 should be imposed on Gold Standard:
- i. An administrative penalty in the amount of \$30,000 for making false and misleading statements in soliciting or registering insurance contrary to section 17(c) of Ontario Regulation 347/04;
 - ii. An administrative penalty in the amount of \$30,000 for inducing an insured under an existing life insurance contract to surrender the contract for consideration contrary to the insured's interests, and contrary to section 17(b)(ii) of Ontario Regulation 347/04; and
 - iii. An administrative penalty in the amount of \$40,000 for directly or indirectly permitting compensation to be paid to a non-licensee contrary to section 403 of the Act.
83. Contraventions of section 17 of Ontario Regulation 347/04 and section 447(2)(a) of the Act are listed in *Schedule 1* of Ontario Regulation 408/12 and carry a maximum penalty of \$100,000 for an individual and \$200,000 for a corporation. Section 403 of the Act is listed in *Schedule 2* and carries a maximum penalty of \$50,000 for an individual and \$100,000 for a corporation.
84. In determining the amount of the administrative penalties, the Director has considered the following criteria as required by section 4(2) of Ontario Regulation 408/12:

- i. The degree to which the contravention or failure was intentional, reckless or negligent;
 - ii. The extent of the harm or potential harm to others resulting from the contravention or failure;
 - iii. The extent to which the person or entity tried to mitigate any loss or take other remedial action;
 - iv. The extent to which the person or entity derived or reasonably might have expected to derive, directly or indirectly, any economic benefit from the contravention or failure; and
 - v. Any other contraventions or failures to comply with a requirement established under the Act or with any other financial services legislation of Ontario or of any jurisdiction during the preceding five years by the person or entity.
85. In respect of the **first criterion**, the Director is satisfied that Jain and Gold Standard, acted, at minimum, recklessly in inducing clients to surrender their segregated funds at iA in order to enter into another contract at Canada Life. Several clients were unaware of the substantial DSCs they would pay on transferring out of iA and that they could face again if leaving Canada Life before the end of their new, 7-year DSC schedules.
86. Jain acted intentionally when he made false or misleading statements or misrepresentations in the solicitation and registration of insurance. When Jain signed iA's and Canada Life's insurance forms, he knew that the insurers would believe he was acting as the agent despite also knowing he had not even met with some of the clients. In particular, the transfer authorization forms at Canada Life required Jain to assert to the identity, capacity and willingness of the clients signing the forms, which Jain knew he could not for clients he had never met.
87. Further, Jain and Gold Standard acted intentionally in directly or indirectly allowing compensation to be paid to Tiffin, an unlicensed individual, for soliciting or negotiating life insurance. Tiffin was intimately involved with clients and Jain must have been aware that these contacts and Tiffin's advice did not come for free. Jain generated over \$800,000 in commissions which he transferred or directed to Gold Standard. As an officer of Gold Standard, he knew that a portion of the revenues were directed to Tiffin or his companies. Gold Standard directly paid Tiffin compensation in exchange for his role in soliciting or negotiating life insurance.
88. Jain also acted intentionally when he lied to FRSA both in writing and during his interview about his involvement with Tiffin. In addition to his false written answers, he continued to make false or misleading statements in his later interview with a FSRA investigator. Jain's claims surrounding having no business relationship with Tiffin, among others, were demonstrably false and well within Jain's knowledge.

89. In respect of the **second criterion**, the Director is satisfied that Jain and Gold Standard caused significant harm to consumers, insurers, and the licensing system as a whole in the following ways:
- i. Consumers incurred significant fees when Jain transferred them from DSC funds at iA to DSC funds at Canada Life. Further, by being placed in funds with DSC schedules again, clients were potentially subject to significant future DSCs if they withdrew their investments early;
 - ii. Insurers paid over \$800,000 in commissions to Jain and Gold Standard over a two-year period; and
 - iii. Confidence in the licensing system was undermined by Jain and Gold Standard allowing Tiffin, a non-licensee, to solicit, negotiate or register insurance business without the regulatory supervision that comes with being a licensee.
90. Further, by lying to FSRA about the arrangement between Gold Standard, Tiffin and Tiffin's companies, Jain delayed FSRA's investigation into Tiffin's unlicensed activity and thus further lengthened the period of time Tiffin acted as an agent while unlicensed.
91. In respect of the **third criterion**, the Director is satisfied that Jain took no active steps to mitigate the harm caused by his, Gold Standard's or Tiffin's actions. Jain actively increased the risk of harm by extending Tiffin's opportunity to continue unlicensed activity by lying to FSRA during its investigation. The Director is also not aware of any mitigation by Gold Standard.
92. In respect of the **fourth criterion**, the Director is satisfied that Jain and Gold Standard received a substantial direct economic benefit, as Jain received commissions from insurers on transactions where Tiffin was involved in soliciting and registering insurance. Jain's commissions in under two years were over \$800,000, with most of these relating to Tiffin's clients. These commissions were transferred to Gold Standard, who also received \$37,020.38 of the commissions directly from Hub.
93. In respect of the **fifth criterion**, the Director is unaware of any contraventions or failures to comply with a requirement established under the Act or with any other financial services legislation in Ontario or of any jurisdiction during the preceding five years by Jain or Gold Standard.

B. Administrative Penalties to be Imposed on Tiffin

94. The Director is satisfied that an administrative penalty in the amount of \$50,000 should be imposed on Tiffin for contravening section 2(1) of Ontario Regulation 347/04 by engaging in unlicensed activity.

95. A contravention of section 2(1) of Ontario Regulation 347/04 is listed in *Schedule 1* of Ontario Regulation 408/12 and thus carries a maximum penalty of \$100,000 for an individual.
96. In determining the amount of the administrative penalties, the Director has considered the criteria referred to above, as required by section 4(2) of Ontario Regulation 408/12.
97. In respect of the **first criterion**, the Director is satisfied that Tiffin intentionally engaged in unlicensed activity after his licence was not renewed. Tiffin's unlicensed activity continued for more than a year and a half after the expiration of his licence. Having been a licensed agent for more than a decade previously, he knew of the obligation to be licensed.
98. In respect of the **second criterion**, the Director is satisfied that Tiffin's activities caused harm to others. Tiffin's activities caused direct financial harm to consumers. Tiffin advised clients to move from funds with DSC schedules at iA to a small number of funds with DSC schedules at Canada Life, which caused clients to incur significant fees and exposed them to the possibility of increased additional fees if they withdrew early.
99. Tiffin also caused harm to insurers, including iA and Canada Life, which paid out commissions of more than \$800,000 over two years to Jain and Gold Standard for what was mostly Tiffin's unlicensed activity. Had the insurers known that it was Tiffin soliciting or registering these policies, the commissions would not have been paid.
100. Furthermore, by deceptively acting as an insurance agent, Tiffin undermined the integrity of the licensing regime and consequently harmed the public interest. The insurance agent licensing regime provided in the Act is a critical and necessary component in protecting the public interest. The public is entitled to have confidence that the licensing regime will only allow properly qualified and licensed agents to solicit, negotiate and place insurance.
101. In respect of the **third criterion**, the Director is not aware of any mitigation by Tiffin. Tiffin has not sought re-licensing and appears to be continuing his unlicensed activity, as described in Schedule "A".
102. In respect of the **fourth criterion**, the Director is of the belief that Tiffin received an economic benefit from his unlicensed activity. Insurers paid commissions of over \$800,000 to Jain and Gold Standard, some of which were remitted to Global Demographics or Tiffin.
103. In respect of the **fifth criterion**, the Director is aware that Tiffin was convicted on appeal in 2018 of offences under the Securities Act but that the original trial for those offences was held in 2016 and the convictions are thus outside the five-year period contemplated by the Act.

VII. GROUNDS FOR ISSUING COMPLIANCE ORDER

104. Section 441(1) of the Act states that, upon examination or investigation, or upon any other evidence, the Chief Executive Officer shall make a report if he or she is of the opinion that a person has committed or is committing any act, or is pursuing any course of conduct that is an unfair or deceptive act or practice or that might reasonably be expected to result in a state of affairs that would constitute an unfair or deceptive act or practice. This report is Schedule "A".
105. Section 441(2) of the Act allows the Chief Executive Officer, on notice and in writing, to make certain orders. This includes ordering a person to cease or refrain from pursuing any course of conduct identified by the Chief Executive Officer and to cease engaging in the business of insurance or an aspect of the business of insurance identified by the Chief Executive Officer.
106. The Director has been delegated authority under 441 by the Chief Executive Officer and is of the opinion that Tiffin has committed unfair or deceptive acts or practices, as described in this Notice of Proposal and in Schedule "A". As such, the Director has the authority to order Tiffin to cease the following:
 - i. acting as an insurance agent in Ontario;
 - ii. collecting commissions, directly or indirectly, on any insurance business in Ontario; and
 - iii. engaging in the business of insurance in Ontario
107. In order to protect the public, insurers, and confidence in the agent licensing regime, the order is appropriate. Tiffin's illegal conduct in acting as an insurance agent while unlicensed appears to be continuing. A compliance order is thus needed to end Tiffin's efforts to enter into similar, also illegal, arrangements with others.
108. Such further and other reasons as may come to my attention.

SCHEDULE “A”

REPORT OF THE CHIEF EXECUTIVE OFFICER

I. INTRODUCTION

1. The Director, by delegated authority from the Chief Executive Officer, is of the opinion that Tiffin is committing acts or pursuing a course of conduct that constitutes an unfair or deceptive practice under the Act. This is the Director’s report pursuant to section 441 of the Act.

II. FACTS

2. The Director is satisfied of the facts as outlined in the Notice of Proposal, above.
3. In particular, Tiffin is a former licensed life insurance agent who withdrew his application to renew his licence in 2019 when FSCO raised concerns about his suitability to continue to be licensed. Tiffin then engaged with Jain and Gold Standard so that he could continue acting as an agent despite his unlicensed status.
4. Tiffin, Gold Standard and Jain parted ways in early 2021. Tiffin appears to have attempted to recruit other agents to engage in a similar scheme. Evidence of Tiffin’s recruitment efforts include:
 - i. A draft letter to clients from around September 1, 2021, where Tiffin states that he has “been training agents to help” and that six people have attended his “courses.” He refers to these agents as financial advisors and notes that the agents are his former clients;
 - ii. An email on December 1, 2021, where Tiffin replied to an email from client DS, who was asking that Tiffin repay a loan from DS immediately. Tiffin replied to the email, saying this was not possible “as my guys just got licensed finally”; and
 - iii. An email sent by Tiffin on December 15, 2021, to client, IK, asking if he would like to join Global Demographics, which had changed its name. Tiffin noted in the email that he “now [has] new agents working for me that I trained from being existing clients” and that IK could be making \$100,000 a year as an agent.

5. From mid-2020 until May 2021, Tiffin also provided another life insurance agent, TM, with clients in exchange for a portion of the commissions generated for sales of life insurance. On May 5, 2021, iA launched an investigation into TM and found the following:
 - i. 7 change of agent-of-record forms were submitted by TM for clients that were previously serviced by Tiffin and/or Jain; and
 - ii. 14 applications for annuity contracts were submitted by TM for clients that were mostly previously serviced by Tiffin and/or Jain.
6. FSRA interviewed TM, who admitted to paying Tiffin for referrals and provided copies of cheques made out to a Tiffin-owned company, 2796330 Ontario Inc. Further, TM told FSRA that some of the forms were pre-filled by RD and that Tiffin was still providing advice to clients. TM is no longer licensed as a life insurance agent as his licence expired in 2022.
7. Tiffin's new business appears to be operating out of the same location as Global Demographics. His new website lists the same office location.

III. UNFAIR OR DECEPTIVE ACTS OR PRACTICES

8. What constitutes an unfair or deceptive practice (a "UDAP") for the purposes of the Act was previously set out in Ontario Regulation 7/00 ("Unfair or Deceptive Acts or Practices"), which was revoked on April 1, 2022 (the "UDAP Regulation"). The UDAP Regulation was replaced with a FSRA Rule, *Unfair or Deceptive Acts or Practices* (the "UDAP Rule").
9. The UDAP Regulation, as it then was, provided in section 1 that the commission of any act prohibited under the Act or regulations was a UDAP. The UDAP Rule similarly provides in section 3(1) that the commission of any act prohibited by the Act, regulations or FSRA rules is a UDAP.
10. The Director has found in the Notice of Proposal, herein, that Tiffin contravened section 2(1) of Ontario Regulation 347/04 by acting as an agent without being licensed prior to April 1, 2022.
11. Tiffin's actions with respect to TM indicate that he continues to contravene section 2(1) of Ontario Regulation 347/04 as Tiffin also acted as an agent without being licensed in respect of the clients serviced by TM. Tiffin's contravention of section 2(1) constitutes a UDAP under the UDAP Regulation (for pre-April 1, 2022, conduct) and the UDAP Rule (for post-April 1, 2022, conduct).
12. Accordingly, the Director is of the opinion that Tiffin has committed unfair or deceptive acts and should be ordered to immediately cease the following activities:
 - i. acting as an insurance agent in Ontario;

- ii. collecting commissions, directly or indirectly, on any insurance business in Ontario; and
- iii. engaging in the business of insurance in Ontario.

DATED at Toronto, Ontario, January 25, 2023

Elissa Sinha
Director, Litigation and Enforcement

By delegated authority from the Chief Executive Officer