



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 392.4, 392.5, and 407.1;

AND IN THE MATTER OF Daumier Financial Services Inc. o/a Daumier Financial Services Ltd.;

AND IN THE MATTER OF 1000532009 Ontario Ltd.

AND IN THE MATTER OF Carmen Munoz Gutierrez;

AND IN THE MATTER OF Ana Huang Yu;

AND IN THE MATTER OF Andres Antonio Hernandez Silva;

AND IN THE MATTER OF Maylin Rodriguez Perez;

AND IN THE MATTER OF Michael Lue

**NOTICE OF PROPOSAL TO REVOKE LICENCES AND REFUSE TO ISSUE
LICENCE**

TO: Daumier Financial Services Inc. o/a Daumier Financial Services Ltd.
412-3621 Highway 7 East
Markham, ON L3R 0G6

Attention: Carlos Daumier De Zayas Benitez

AND TO: 1000532009 Ontario Ltd.
106 Waller St
Whitby, ON L1R 2K7

Attention: Carmen Munoz Gutierrez

AND TO: Carmen Munoz Gutierrez

AND TO: Ana Huang Yu

AND TO: Andres Antonio Hernandez Silva

AND TO: Maylin Rodriguez Perez

AND TO: Michael Lue

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 corporate agent licence issued to Daumier Financial Services Inc. o/a Daumier Financial Services Ltd.**

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 Director is proposing to refuse to issue a corporate agent licence to 1000532009 Ontario Ltd.**

AND TAKE 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 and sickness insurance agent licence issued to Carmen Munoz Gutierrez.**

AND TAKE 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 and sickness insurance agent licence issued to Ana Huang Yu.**

AND TAKE 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 and sickness insurance agent licence issued to Andres Antonio Hernandez Silva.**

AND TAKE 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 and sickness insurance agent licence issued to Maylin Rodriguez Perez.**

AND TAKE 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 and sickness insurance agent licence issued to Michael Lue.**

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 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.

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 revoke the insurance agent licences issued to Daumier Financial Services Inc. o/a Daumier Financial Services Ltd. ("Daumier Financial"), Carmen Munoz Gutierrez ("Munoz Gutierrez"), Ana Huang Yu ("Huang Yu"), Andres Antonio Hernandez Silva ("Hernandez Silva"), Maylin Rodriguez Perez ("Rodriguez Perez"), and Michael Lue ("Lue").

II. BACKGROUND

2. Daumier Financial is a licensed corporate insurance agent (licence # 36875M). Daumier Financial was first licensed on August 15, 2022. Daumier Financial's licence is valid until August 14, 2024.
3. Carlos Daumier De Zayas Benitez ("De Zayas Benitez") was licensed as a life insurance and accident and sickness insurance agent (licence # 19175829) from July 30, 2019, until his licence expired on December 22, 2023. De Zayas Benitez is the owner and director of Daumier Financial and was the designated agent until his licence expired.
4. Munoz Gutierrez is licensed as a life insurance and accident and sickness insurance agent (licence # 20179842) from January 8, 2020. Her licence is valid until November 16, 2024.
5. On August 3, 2023, 1000532009 Ontario Ltd. submitted an application for a corporate insurance agent licence. Munoz Gutierrez is the sole director of 1000532009 Ontario Ltd. and is the intended designated agent for the corporation.
6. Huang Yu is licensed as a sponsored life insurance agent (licence # 22208996) from October 5, 2022. Her licence is valid until October 4, 2024.
7. Hernandez Silva is licensed as a sponsored life insurance agent (licence # 18170325). Hernandez Silva was first licensed from November 5, 2018 until November 4, 2020 as an accident and sickness only insurance agent when his licence expired. Hernandez Silva was then licensed again as an accident & sickness only insurance agent licence starting September 27, 2021. On August 10, 2022, the licence transitioned into a sponsored life insurance agent licence, which is valid until August 9, 2024.
8. Rodriguez Perez is licensed as a sponsored life insurance agent (licence # 22207986) from September 7, 2022. Her licence is valid until September 6, 2024.
9. Lue is licensed as a sponsored life insurance agent (licence # 22208663) from September 23, 2022. His licence is valid until September 22, 2024.
10. Liset Jimenez Rodriguez ("Jimenez Rodriguez") was licensed as a life insurance and accident and sickness insurance agent from December 10, 2015, until her licence was revoked on August 18, 2023. Jimenez Rodriguez and De Zayas Benitez are spouses.
11. At the relevant time, Jimenez Rodriguez, De Zayas Benitez, Munoz Gutierrez, Huang Yu, Hernandez Silva, Rodriguez Perez, and Lue were all contracted with Daumier Financial through a managing general agency agreement.
12. Daumier Financial was contracted with Foresters Life Insurance Company ("Foresters") and Specialty Life Insurance Inc. ("SLI"), which allowed the agents in paragraph 11 to submit policy applications to Foresters and SLI.

III. FACTS

A. Foresters Report

13. In early May 2023, FSRA received a Life Agent Misconduct Report (“LAMR”) from Foresters regarding Daumier Financial, Jimenez Rodriguez, De Zayas Benitez, Munoz Gutierrez, Huang Yu, and Hernandez Silva (collectively, the “Foresters LAMR Agents”).
14. The LAMR detailed a sophisticated scheme perpetrated by Daumier Financial and the Foresters LAMR Agents to submit applications for policies containing false information and for individuals who did not exist to generate significant commissions.
15. Between June and September 2022, the Foresters LAMR Agents submitted approximately 237 policy applications for two different companies, Allen Contracting Inc. (“Allen Contracting”) and Prive Jets Ltd (“Prive Jets”), asserting that the respective owners of the companies sought individual insurance policies for their employees (“Foresters Applications”). The LAMR also stated that the Foresters LAMR Agents attempted the same scheme for a third company Trembley Renovation Ltd. o/a Trembley Construction (“Trembley”).
16. Allen Contracting and Prive Jets are legitimate businesses. However, the Foresters Applications were not affiliated with the legitimate businesses and the owners and operators listed in the Foresters Applications are different from the actual owners and operators.
17. Daumier Financial and the Foresters LAMR Agents submitted policy applications to Foresters and received upfront commissions for the policies. Daumier Financial would direct some of the commissions to the bank account funding the premium payments. To maintain the scheme, Daumier Financial and the Foresters LAMR Agents would submit policies for the next company, which would provide further upfront commissions to pay premiums.
18. Between June 2022, and February 2023, Foresters paid more than \$750,000 in upfront commissions to Daumier Financial for the 237 fraudulent policies allegedly issued on behalf of Allen Contracting and Prive Jets (“Foresters Policies”). Starting in November 2022, the Foresters LAMR Agents attempted to submit applications in respect of Trembley. Foresters had already begun to suspect fraudulent activity with respect to the Allen Contracting and Prive Jets applications and did not accept the applications for Trembley.
19. In the LAMR, Foresters informed FSRA that it had sought and received a civil asset freezing order (known as a Mareva Injunction order) to freeze Daumier Financial’s and the Foresters LAMR Agents’ assets.
20. On July 19, 2023, Foresters provided FSRA with the materials filed for the Mareva Injunction motion. The affidavit evidence shows that Daumier Financial:

- a) created fictitious applicants for insurance which included false driver's licenses and phone numbers, or submitted false information for applicants,
 - b) impersonated legitimate corporate entities by using altered or manipulated corporate documents,
 - c) registered domains (such as "rbcwealth.ca" and "privejet.ca") to create an appearance of legitimacy of communications they sent to Foresters to avoid detection, and
 - d) utilized a series of bank accounts controlled by them to collect commissions, and to continue to pay premiums on some of the issued policies to make the scheme more difficult to detect.
21. Munoz Gutierrez and Hernandez Silva provided fictitious documents to Foresters on behalf of Daumier Financial. Munoz Gutierrez and Hernandez Silva provided corporate documents that were altered, or forwarded correspondence purporting to be from the companies, to prevent Foresters from discovering the scheme.
22. Premiums for the policies were paid out of bank accounts at the same bank branch as the account Foresters paid commission on the policies. The banks were in locations that were inconsistent with the companies purporting to purchase the insurance policies, but in some instances were in close proximity to Jimenez Rodriguez and De Zayas Benitez's home address.
23. In each of the Foresters Applications, the Foresters LAMR Agents confirmed that they verified the identification of the insured and verified the information contained in the application.
24. Foresters has confirmed that none of the fraudulent Allen Contracting and Prive Jets policies remain active.
25. After the Mareva Injunction was granted, Foresters and Daumier Financial reached a settlement that resulted in Daumier Financial paying back the commissions to Foresters.

B. SLI Report

26. At the time of the Foresters LAMR, FSRA was already involved in a proceeding before the Financial Services Tribunal regarding a Notice of Proposal to Revoke Jimenez Rodriguez's licence.
27. After learning of Jimenez Rodriguez's involvement in the above scheme, FSRA contacted other insurers Jimenez Rodriguez listed in her licensing application.
28. FSRA received information that Daumier Financial, Jimenez Rodriguez, De Zayas Benitez, Munoz Gutierrez, Huang Yu, Hernandez Silva, Rodriguez Perez, and Lue (collectively, the "SLI LAMR Agents") engaged in a similar and much larger

scheme against SLI where they were also setting up individual insurance policies for employees of Prive Jets and Allen Contracting.

29. Additionally, the SLI LAMR Agents submitted applications and obtained policies for purported employees of NovaJet Aviation Private Ltd., including derivations of this name, (“NovaJet”) and for Trembley. In total, as of August 2023, SLI had over 4,500 active policies (“SLI Policies”) placed by Daumier Financial and the SLI LAMR Agents.
30. SLI paid Daumier Financial and the SLI LAMR Agents \$63,175,697.30 in upfront commissions and bonuses for the SLI Policies. As with the Foresters Policies, Daumier Financial diverted a portion of the upfront commission funds to bank accounts it controlled that SLI drew premiums from. By continually submitting fraudulent applications to SLI, Daumier Financial was able to maintain the scheme.
31. As part of SLI’s investigation, SLI contacted the President and CEO of NovaJet, who informed SLI that NovaJet had no involvement in the 1,142 policies SLI issued to its purported employees, the business address provided on the applications is not that of NovaJet, and the payor on the policies is not associated with NovaJet. Further, the business addresses did not correspond with actual physical business locations or were simply the address of an airport.
32. Daumier Financial was able to maintain the scheme against SLI by:
 - i. creating fictitious applicants for insurance or providing false information in applications for insurance,
 - ii. impersonating legitimate corporate entities by using altered or manipulated corporate documents,
 - iii. facilitating communications between SLI and the companies, thereby not allowing SLI to contact the companies directly,
 - iv. setting up fake domains that appeared similar to the real domains of the legitimate businesses. For example, for Prive Jets, Daumier Financial provided correspondence from an individual whose email was “@privejet.com”. The legitimate domain for Prive Jets is “@privejetss.com”,
 - v. utilizing a series of bank accounts controlled by them to collect commissions, but also to continue to pay premiums on some of the issued policies to make the scheme more difficult to detect, with two of those bank branches less than 4 kilometres from Jimenez Rodriguez and De Zayas Benitez’s house.
33. SLI noted that the method in which SLI LAMR Agents placed the SLI Policies (namely, through individual policy applications rather than negotiating a group rate) is atypical and uneconomical for the companies.

34. In each of the applications, the SLI LAMR Agents falsely confirmed that they verified the identification of the insured and verified the information contained in the application.
35. FSRA received spreadsheets outlining the policies from SLI and from Foresters. There is a significant overlap of purported employees on both lists.
36. On October 12, 2023, SLI sought and was granted a Mareva Injunction order against Daumier Financial and the SLI LAMR Agents in respect the above conduct.

IV. CONTRAVENTIONS OR FAILURES TO COMPLY WITH THE ACT

False Statement in the Solicitation or Registration of Insurance

37. 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.
38. It is clear from the materials that Daumier Financial, Munoz Gutierrez, Huang Yu, Hernandez Silva, Rodriguez Perez, and Lue (the “Daumier Agents”) have repeatedly provided false or misleading representations in the registration of insurance.
39. The extent of the false information is serious. The Daumier Agents submitted nearly 5,000 false applications to two insurers and Munoz Gutierrez and Hernandez Silva provided false information regarding the companies who those applications were purportedly submitted for. Additionally, by funneling funds to pay premiums, the Daumier Agents avoided detection of the scheme to continue to generate commissions from Foresters and SLI.

V. GROUNDS FOR REVOKING LICENCE AND REFUSING TO ISSUE LICENCE

40. Section 392.4(1) of the Act states that the Chief Executive Officer shall issue an insurance agent’s licence if the agent has satisfied the prescribed requirements for a licence unless he believes, on reasonable grounds, that the applicant is not suitable to be licenced, having regard to such circumstances as may be prescribed and other matters the Chief Executive Officer considers appropriate.
41. Section 392.5(1) of the Act states that the Chief Executive Officer may revoke or suspend an insurance agent’s licence if the agent has failed to comply with the Act, the regulations, or a condition of the licence.
42. Further, 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.
43. Section 8 of Ontario Regulation 347/04 prescribes the circumstances the Chief Executive Officer may have regard to when determining whether an applicant is not suitable to be licenced, 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.
44. The Director believes that Daumier Financial and Munoz Gutierrez, Huang Yu, Hernandez Silva, Rodriguez Perez, and Lue are not suitable for licensing under the Act. The Daumier Agents have demonstrated gross incompetence and extreme untrustworthiness in transacting business as insurance agents.
45. Daumier Financial and the Daumier Agents have contravened the Act by making false or misleading statements or representations in the solicitation or registration of insurance to both Foresters and SLI by submitting nearly 5,000 policy applications containing false information or were for individuals who did not exist. Further, the Daumier Agents made numerous false statements to Foresters and SLI to perpetuate the overall scheme.
46. With respect to 1000532009 Ontario Ltd., the Director is satisfied, based on the conduct of its' director Munoz Gutierrez, that it will not be operated in accordance with the law and that it is not suitable to be licensed. Accordingly, the Director proposes to refuse to issue an insurance agent licence to 1000532009 Ontario Ltd.
47. The Director is satisfied that a sanction less than revocation, such as suspension or licence conditions, would not adequately reflect the severity of the conduct described above and would not sufficiently protect the public.
48. Such further and other reasons as may come to my attention.

DATED at Toronto, Ontario, February 20, 2024.

Elissa Sinha
Director, Litigation and Enforcement

By delegated authority from the Chief Executive Officer