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

AND IN THE MATTER OF Victor Ferreira and Ferreira Insurance Investments Concepts Inc.

NOTICE OF PROPOSAL TO REFUSE TO RENEW LICENCE

TO: Victor Ferreira

AND TO: Ferreira Insurance Investments Concepts Inc.
18 Brule Trail
King ON L7B 0C7

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, Litigation and Enforcement (the “Director”)** is proposing to refuse to renew the life insurance agent licence issued to Victor Ferreira and to refuse to renew the corporate licence of Ferreira Insurance & Investment Concepts Inc. The reasons for this proposal are described below.

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

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

YOU ARE ENTITLED TO A HEARING BY THE FINANCIAL SERVICES TRIBUNAL (THE “TRIBUNAL”) PURSUANT TO SECTIONS 407.1(2) AND 407.1(3) OF THE ACT. A hearing by the Tribunal about this Notice of Proposal may be requested by completing the enclosed Request for Hearing Form (Form 1) and delivering it to the Tribunal within fifteen (15) days after this Notice of Proposal is received by you. The Request for Hearing Form (Form 1) must be mailed, delivered, faxed or emailed to:

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

Attention: Registrar

Fax: 416-226-7750

Email: contact@fstontario.ca

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

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

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

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

REASONS FOR PROPOSAL

I. INTRODUCTION

1. These are reasons for the proposal by the Director to refuse to renew the insurance agent licence issued to Victor Ferreira (the "Applicant") and to refuse to renew the corporate licence of Ferreira Insurance & Investment Concepts Inc., (the "Corporation").
2. The Director believes, on reasonable grounds, that the Applicant and Corporation are not suitable to be licensed having regard to the circumstances prescribed under the Act and Regulations for conduct contrary to the statute and for failing to make disclosure on multiple consecutive licensing applications.

II. BACKGROUND

Licensing History

3. The Applicant has been licensed continuously as a life and accident & sickness insurance agent (licence # 94025359) under the Act since 1994.
4. The Corporation is an Ontario Corporation (Ontario Corporation No. 1619085), duly incorporated under the laws of Ontario since May 17, 2004. The Corporation is principally engaged in the business of brokering life insurance products. The Corporation (licence number 31963M) has been licensed under the Act since May 20, 2005.
5. The Applicant is the sole officer and director of the Corporation and is the only selling agent on behalf of the Corporation.
6. In addition to being licensed under the Act, the Applicant was also licensed as a mortgage agent (licence #M15001780) under the *Mortgage Brokerages, Lenders and Administrators Act, 2006* (MBLAA) from August 25, 2015, until his license expired on March 31, 2018. The Corporation has never been licensed under MBLAA.

Notice of Proposal to Impose Administrative Monetary Penalties and Agreed Statement of Fact re: Syndicated Mortgages under MBLAA

7. Following a series of complaints and an investigation, in 2017, the Financial Services Commission of Ontario, the regulator at the time charged with administering MBLAA, issued a Notice of Proposal to Impose Administrative Monetary Penalties ("2017 NOP") under MBLAA against the Applicant and the Corporation for their alleged unlicensed participation in syndicated mortgages through advertising.
8. The 2017 NOP alleged that from January 2013 through August 14, 2015, prior to being licensed as a Mortgage Agent, the Applicant through the unlicensed Corporation had a referral fee agent agreement with a licensed mortgage brokerage. In the agreement, the Corporation was entitled to receive a referral fee equal to 10% of the referred loan amount.

9. In addition, the 2017 NOP alleged that the Applicant was also promoting syndicated mortgages through newspaper advertisements, and YouTube videos on the Corporation's website.
10. Finally, the 2017 NOP alleged that, as a result of the referral arrangement, the Applicant received approximately two-million dollars in referral fees for approximately 300 syndicated mortgage loans.
11. The 2017 NOP was resolved by way of Agreed Statement of Fact and Minutes of Settlement dated April 19, 2018 (the "2018 ASF and MOS") in which the Applicant and Corporation admitted to soliciting another person or entity to lend money on the security of real property as a result of advertisements, YouTube videos and website without having a mortgage broker's or agent's licence, contrary to ss 2(1) and 2(3) of the *MBLAA*.
12. On April 20, 2018, Orders to Impose Administrative Penalties in accordance with the 2018 ASF and MOS were issued. The Applicant agreed to an Administrative Monetary Penalty of \$30,000 for contraventions of the *MBLAA* for unlicensed activity between 2013 and 2015. The Corporation agreed to an Administrative Monetary Penalty of \$45,000 for contraventions of the *MBLAA* for unlicensed activity between 2013 and 2015.
13. In September 2019, the Applicant received an Invoice from the Minister of Finance regarding non-payment of the two outstanding orders for Administrative Monetary Penalty dated April 20, 2018. To date, neither of the Administrative Monetary Penalties have been paid in breach of the Minutes of Settlement and Orders.
14. Neither the Applicant nor the Corporation is currently licensed under *MBLAA*.

Civil Lawsuits

15. The Applicant and the Corporation have been sued multiple times in different jurisdictions for their participation in syndicated mortgages while unlicensed.

The Applications to Renew the Licence

16. The Applicant and the Corporation failed to disclose the complaints made against them, the 2018 ASF and MOS, and the Orders for administrative monetary penalties dated April 20, 2018 on six (6) consecutive applications submitted to FSRA in 2018, 2019, 2021 and 2023, under the Act.
17. The Applicant submitted three (3) renewal applications to FSCO/FSRA regarding his life agent licence in 2018, 2021 and 2023. The Corporation submitted three (3) renewal applications in 2019, 2021 and 2023.
18. On all six (6) applications, the Applicant and Corporation swore to have truthfully answered all the questions, and certified they understood that "providing false, misleading or incomplete information may be sufficient grounds to reject the application or revoke a licence".

19. After submitted his application in 2023, the Applicant advised FSRA that he was refusing to pay the outstanding administrative monetary penalties against himself and the Corporation.

III. GROUNDS FOR REFUSING TO RENEW THE LICENSES

20. Section 392.4(1) states that the Chief Executive Officer shall issue a licence to act as an insurance agent in Ontario to an applicant who applies in accordance with section 392.3 and who satisfies the prescribed requirements for the licence unless the Chief Executive Officer believes, on reasonable grounds, that the applicant is not suitable to be licensed having regard to such circumstances as may be prescribed and such other matters as the Chief Executive Officer considers appropriate.

21. Section 4 of Ontario Regulation 347/04, subsections (a) and (i) respectively, provides that an applicant for a licence shall be granted a licence if the Chief Executive Officer is satisfied that the applicant is of good character and reputation, and otherwise suitable to receive a licence.

22. FSRA must assess suitability keeping in mind that the purpose of licensing is to ensure that consumers receive competent and ethical insurance brokering services from those licensed to participate in the industry. When FSRA issues a licence, it is considered a public endorsement that the licensee can serve as a trusted advisor to their clients who often rely on their insurance agents when making important financial decisions that can have a significant impact on their lives and well-being. When Applicants fail to disclose information related to suitability, they prevent FSRA from performing its gatekeeping function to assess who is eligible for a licence.

23. The Director believes, on reasonable grounds, that the Applicant and Corporation are not suitable and are not of good character or reputation to be licensed under the Act. Their conduct poses a significant risk to consumers that cannot be cured by attaching conditions to the licenses.

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

DATED at Toronto, Ontario, _____, 2024.

Elissa Sinha
Director, Litigation and Enforcement

By delegated Authority from the Chief Executive Officer

