

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

AND IN THE MATTER OF Minh Anh Nguyen.

NOTICE OF PROPOSAL TO REVOKE LICENCE

TO: Minh Anh Nguyen

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 insurance agent licence issued to Minh Anh Nguyen.

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 the reasons for the proposal by the Director to revoke the insurance agent licence issued to Minh Anh Nguyen (“Nguyen”).
2. Nguyen misappropriated funds from a client. In order to misappropriate the funds, Nguyen submitted insurance forms with the client’s forged signature and he forged endorsements on cheques. Given Nguyen’s conduct, the Director reasonably believes that he is not suitable to be licensed.

II. BACKGROUND

A. Licensing History

3. Nguyen has been licensed as a life insurance and accident & sickness agent (licence #13129610) under the Act since January 29, 2013. Nguyen’s licence expires on January 28, 2025.
4. Nguyen was previously licensed as an insurance representative (licence #19673) under the Quebec *Insurers Act*, CQLR c A-32.1. He was licensed in the insurance of persons since September 1, 2013, and in the group insurance of persons since October 26, 2015. Both licenses expired on February 12, 2024.
5. Nguyen was contracted with IDC Worldsource Insurance Network Inc. (“IDC”), a managing general agency (“MGA”), until January 5, 2024. IDC terminated its business relationship with Nguyen for cause.

B. Empire Life Investigation

6. Nguyen was authorized to sell insurance policies for insurers in Ontario including Empire Life Insurance Company (“Empire Life”). In November 2023, Empire Life investigated Nguyen due to an inquiry from a client, JN, about an unauthorized policy redemption. JN is a relative of Nguyen and lives in Ontario.
7. The Empire Life investigation found that Nguyen had requested that Empire Life change the address on JN’s policy to his own address in Quebec. Nguyen later made unauthorized withdrawals from JN’s policy, and the cheques for these withdrawals were sent to Nguyen’s address in Quebec as a result of the address change.
8. As part of the investigation, Nguyen advised Empire Life that he met with JN and that JN had requested the redemptions and asked for cheques to be delivered to Nguyen’s address because JN was temporarily without a home address. Nguyen

further claimed that the bank account to which the cheques were deposited belonged to JN's spouse. JN denied having met with Nguyen and providing these instructions.

9. As a result of its investigation, Empire Life terminated its business relationship with Nguyen for cause effective December 20, 2023.
10. On January 19, 2024, Empire Life submitted a Life Agent Misconduct Report ("LAMR") to FSRA regarding Nguyen's actions.

C. Misappropriation of JN Funds

11. On September 27, 2023, Nguyen notified Empire Life about a change to JN's address. The new address that Nguyen provided to Empire Life for JN was Nguyen's address in Quebec.
12. JN had not moved and had neither requested nor authorized the address change.
13. On October 27, 2023, and November 1, 2023, Nguyen submitted unauthorized investment change forms to Empire Life for partial redemptions of \$8,500 and \$4,500, respectively, from JN's policy. Both forms appeared to be signed by JN but JN did not sign them. Both forms indicated that the withdrawals were to be made by cheque.
14. The two cheques were mailed to JN's address on file for the policy: Nguyen's address. Nguyen forged JN's signature on the cheques to endorse them, then deposited them into his own bank account.
15. On November 17, 2023, Nguyen submitted a third unauthorized investment change form for a partial redemption of \$3,000 from JN's policy. The form again appeared to be signed by JN but was not actually signed by JN. The form again requested that Empire Life withdraw the amount by cheque.
16. This time, Empire Life transferred the \$3,000 directly to JN's bank account and JN became aware of the unauthorized withdrawals and contacted Empire Life.

D. Life Agent Misconduct Examination by FSRA

17. On February 28, 2024, Nguyen was advised that he was selected for an examination by FSRA and was required to complete the Life and Health Insurance Agent Market Conduct Questionnaire, which included uploading supporting documentation. The examination was initiated as a result of the LAMR Empire Life submitted to FSRA.
18. In emails and in a call with FSRA staff, Nguyen admitted to requesting that Empire Life change the address on JN's policy without JN's authorization.

19. Nguyen also admitted to making unauthorized requests for redemption of policy funds due to financial pressures.
20. Nguyen reported to FSRA that he repaid the withdrawn amounts to Empire Life and the \$16,000 redeemed from JN's policy was returned to JN in January 2024.

III. GROUNDS FOR REVOCATION

21. 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.
22. Section 392.5(2) of the Act further 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.
23. Section 8 of Ontario Regulation 374/04 provides prescribed grounds. Section 8 permits the Chief Executive Officer to revoke a licence on any grounds on which an application for licence may be refused or if, after due investigation and hearing, it appears to the Chief Executive Officer that the licensee:
 - (a) has violated any provision of the licence in the licensee's operations as an agent;
 - (b) has made a material misstatement or omission in the application for the licence;
 - (c) has been guilty of a fraudulent act or practice; or
 - (d) has demonstrated incompetence or untrustworthiness to transact the insurance agency business for which the licence has been granted.
24. Nguyen has demonstrated untrustworthiness by submitting falsified investment change forms to the insurer to withdraw money for his own personal financial benefit. Furthermore, Nguyen changed JN's mailing address so that any correspondence from Empire Life would be routed to himself, thereby preventing JN from becoming aware of the unauthorized withdrawals and allowing Nguyen to personally receive and deposit the cheques.
25. Additionally, Nguyen intentionally provided false or misleading information to the insurer in an attempt to conceal the misappropriation of JN's funds. Nguyen provided false information about JN's knowledge of and consent to Nguyen's actions. Nguyen also misled the insurer by stating that the redeemed amounts were deposited into a bank account belonging to JN's spouse.

26. Nguyen's intentional deceit demonstrates untrustworthiness to transact the insurance agency business for which his licence was granted. His misconduct was directly related to his activities as an insurance agent licensed under the Act and would not have been possible without such a licence.
27. Nguyen's conduct poses a risk to consumers that cannot be cured by attaching conditions to the licence, as no reasonable amount of supervision can prevent the falsification of documents, provision of false information, and misappropriation of client funds.
28. The Director is satisfied that Nguyen is no longer suitable to be licensed under the Act and a sanction less than revocation would not reflect the severity of Nguyen's conduct and would not adequately protect the public.
29. For these reasons, and subject to such further and other particulars as may come to the Director's attention, the Director proposes to revoke Nguyen's licence under the Act.

DATED at Toronto, Ontario,

Elissa Sinha
Director, Litigation and Enforcement

By delegated authority from the Chief Executive Officer