

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, and 441.3;

AND IN THE MATTER OF Donald Newton Mason

**NOTICE OF PROPOSAL TO SUSPEND LICENCE
AND TO IMPOSE ADMINISTRATIVE PENALTY**

TO: Donald Newton Mason

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” or “FSRA”), **the Director, Litigation and Enforcement, (the “Director”)** is proposing to suspend the insurance agent licence issued to Donald Newton Mason until such time as he has explicitly and completely responded to the inquiries of the Chief Executive Officer.

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 an administrative penalty in the amount of \$5,000 on Donald Newton Mason for failing to respond to inquiries from FSRA, contrary to subsection 442.3(1) of the Act.**

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 for the proposal by the Director to:
 - (i) Suspend the insurance agent licence issued to Donald Newton Mason ("Mason") until such time as Mason has explicitly and completely responded to the inquiries of the Chief Executive Officer; and
 - (ii) Impose an administrative penalty of \$5,000 on Mason.
2. Licensed agents are obliged to answer regulatory inquiries promptly, explicitly, and completely, and to answer in the manner and period specified. An agent who fails to cooperate with an examination or investigation and fails to answer an inquiry hinders FSRA's ability to investigate potential non-compliance and to protect the public.
3. Mason has repeatedly failed to provide information requested by FSRA as required under the Act. In these circumstances, it is appropriate to suspend Mason's licence and impose an administrative penalty.

II. BACKGROUND

A. FSRA Licensing History

4. Mason has been licensed as a life insurance and accident & sickness insurance agent (licence #12124639) under the Act since March 20, 2012. He was previously licensed from March 20, 2012, to March 20, 2014. Mason's licence is presently scheduled to expire on March 19, 2026.
5. Mason is contracted with Financial Horizons Group Inc.

B. FAILURE TO PROVIDE INFORMATION REQUESTED BY FSRA

6. In 2024, FSRA received a complaint from a member of the public. This complaint alleged that Mason had sold a mortgage investment product, misappropriated funds from the member of the public, and had been acting contrary to license conditions imposed by another regulator. The complaint raised regulatory concern about Mason's suitability for licensing under the Act, and under the *Mortgage Brokerages, Lenders and Administrators Act, 2006*, S.O. 2006, c.29.
7. As a condition of his license, Mason is required to keep his contact information current with the FSRA. Should Mason's mailing address, email address, telephone number, or fax number change, he is required by section 5.1 of Ontario Regulation 347/04 to provide the Chief Executive Officer with the new address or number within five days.
8. Between October 10 and November 22, 2024, a FSRA Compliance Officer telephoned Mason twice, left one voicemail, and emailed Mason four times. These communications included a series of questions and provided deadlines by which time Mason was to respond.
9. The fourth email sent by the Compliance Officer stated that "ignoring the requests we made to you is a contravention under Section 442.3 (1) of the Insurance Act." This email also stated that "If you do not respond to the email of October 24, 2024, FSRA will proceed to take disciplinary actions against you."
10. Mason did not respond to any of these communication attempts.
11. On January 17, 2025, the Compliance Officer sent a Warning Letter to Mason via email and registered mail to his address on file with FSRA.
12. Mason did not respond to this email and did not collect the registered mail.

III. CONTRAVENTIONS OR FAILURES TO COMPLY WITH THE ACT

A. Duty to Provide Information

13. Subsection 442.3(1) of the Act states that a person to whom an inquiry is directed must answer promptly, explicitly and completely, and in the manner and period specified by the Chief Executive Officer or his designate.
14. The Director is satisfied that Mason contravened subsection 442.3(1) of the Act by failing to respond to multiple requests for information from FSRA promptly, explicitly, and completely, and within the period specified.

IV. GROUNDS FOR THE PROPOSAL

A. Grounds to Suspend Mason's License

15. 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.
16. 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.
17. Subsection 8(a) 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 violated any provision of the licence in the licensee's operations as an agent.
18. Mason repeatedly failed to provide requested information to FSRA as required under the Act and thus has failed to comply with the Act and has breached a licensing condition.
19. FSRA relies on licensees to cooperate with regulatory requests by providing requested information in a truthful, accurate, and complete manner. By failing to provide requested information to the regulator, Mason hindered FSRA's ability to review and determine potential instances of non-compliance. Cooperation is necessary to regulate the insurance sector and protect the public.
20. For these reasons, and such further and other reasons as may come to the attention of the Director, the Director proposes to suspend Mason's Licence until such time as he has explicitly and completely responded to the inquiries of the Chief Executive Officer.

B. Grounds to Impose an Administrative Penalty

21. The Director is satisfied that imposing an administrative penalty on Mason under section 441.3(1) of the Act will satisfy one or both of the following purposes under section 441.2(1) of the Act:
 - 1) To promote compliance with the requirements established under

the Act.

- 2) To prevent a person from deriving, directly or indirectly, any economic benefit as a result of contravening or failing to comply with a requirement established under this Act.
22. The Director is satisfied that an administrative penalty in the amount of \$5,000 should be imposed on Mason for failing to provide information, contrary to subsection 442.3(1) of the Act.
 23. In determining the amount of the administrative penalty, the Director has considered the following criteria as required by section 4(2) of Ontario Regulation 408/12:
 - 1) The degree to which the contravention or failure was intentional, reckless or negligent.
 - 2) The extent of the harm or potential harm to others resulting from the contravention or failure.
 - 3) The extent to which the person or entity tried to mitigate any loss or take other remedial action.
 - 4) 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.
 - 5) 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.
 24. In respect of the **first criterion**, the Director is satisfied that Mason's failure to provide information was, at best, negligent. As set out above, Mason has a statutory obligation to maintain current contact information with FSRA.
 25. In respect of the **second criterion**, the Director has considered the serious harm that can result from Mason's contraventions. The cooperation of licensees with FSRA's investigations is essential for effective regulation. By failing to cooperate, Mason has obstructed FSRA's investigation, placing the public at increased risk.
 26. In respect of the **third criterion**, the Director is unaware of any efforts by Mason to mitigate his actions or take any remedial action. To the contrary, as of the date of this Notice of Proposal Mason has continued to fail to respond to the Compliance Officer's multiple requests for information.
 27. In respect of the **fourth criterion**, the Director has considered that Mason has benefited from the delay in the assessment of his suitability to be licensed due to his failure to cooperate with FSRA's investigation. Mason's failure to respond may

result in him avoiding additional sanctions because FSRA's regulatory and supervisory functions were obstructed.

28. In respect of the **fifth criterion**, the Director is unaware of any further contraventions or failures to comply in the preceding five years by Mason, other than those discussed in this Notice of Proposal. However, as a result of Mason's failure to respond to the Compliance Officer, FSRA has been hampered in its efforts to investigate a complaint made against Mason.

DATED at Toronto, Ontario,

Elissa Sinha
Director, Litigation and Enforcement

By delegated authority from the Chief Executive Officer