

Disclaimer

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**Financial Services
Commission
of Ontario**
5160 Yonge Street,
Box 85
Toronto ON M2N 6L9

IN THE MATTER OF the *Insurance Act*, R.S.O. 1990, c. I.8, as amended (the "Act"), in particular, sections 393(9) – 393(11)

AND IN THE MATTER OF Laurence Marvin Honickman, life insurance agent

INTERIM LICENCE SUSPENSION ORDER

Laurence Marvin Honickman ("Honickman"): You are the holder of a life insurance agent licence and an accident and sickness agent licence number 05085372.

Section 393(8) of the Act provides that the Superintendent of Financial Services or his Delegate ("Superintendent") may revoke or suspend an insurance agent licence if the agent has failed to comply with this Act or the regulation. Section 393(9) of the Act provides that in determining the revocation or suspension of an existing licence under this section, the Superintendent may, and shall when so requested in writing by the applicant or licensee, appoint an advisory board. A notice of opportunity for hearing was served on Honickman on December 20, 2011.

Section 15(2) of the Act provides that the Superintendent may make interim orders pending the final order in a matter before him.

The Superintendent is of the opinion that the interests of the public may be adversely affected by any delay in the suspension or revocation of Honickman's licence.

The reasons are follows:

1. The Superintendent has received information relating to RW, a client of London Life, concerning events in late November 2011 as follows:
 - a. Honickman contacted RW in late November 2011 on or about the same day that RW had contacted London Life to speak with his regular agent, RS, and made an appointment to meet with RS in January 2012. Shortly thereafter Honickman telephoned RW's wife and arranged an earlier meeting in November;
 - b. Honickman met with RW at RW's home on November 28, 2011. He represented that he was an independent broker with an affiliation with London Life. He presented his card, which stated "Honickman Financial Group, 13-3120 Rutherford Road, #197, Vaughan, Ontario, L4K 0B2 416-716-2971". He was aware that RW's spouse's birthday was coming up and recommended changes to life insurance policies. He collected personal information from RW relating to RW's family. He told RW that he should sell his London Life policies and allow Honickman to manage his money. He promised he would find suitable investments. RW declined to do so;
 - c. Honickman's contract with London Life was terminated on March 25, 2009 and Honickman had no affiliation with London Life or authorization to represent London Life in November 2011;
2. By way of LARFs dated May 12 and September 19, 2011, and an investigatory report of September 19, 2011, RBC Insurance ("RBC") provided information and evidence to the Superintendent to the effect that Honickman continues to engage in activities that render him unsuitable to hold a licence, in particular:
 - a. Honickman's contract as an agent with RBC had been terminated prior to May 12, 2011;
 - b. In early September 2011, RBC received a "transfer authorization for registered investments" on an Equitable Life of Canada form, purporting to request RBC to transfer an existing RBC Life Insurance Company Segregated Fund policy held by a policyholder, DC, to Equitable Life. The form indicated that the transfer was to be all in cash but that otherwise investment instructions were "to be determined upon receipt". The address provided for receipt of the transferred funds at Equitable Life was 13-3120 Rutherford Road, #197, Vaughan, Ontario M4K 0B2. The form was signed with the name DC and dated September 6, 2011;

- c. The fax number on the transfer form matches a fax number that RBC has on file for Honickman while he was contracted with them (prior to termination of his contract);
- d. The address on Rutherford Road is known to the Financial Services Commission of Ontario ("FSCO"): in March 2011 Honickman wrote an email to a FSCO investigator requesting that correspondence for him be sent to that address;
- e. RBC also received a similar form purporting to request the transfer of a policy held by MW with RBC Life Insurance to Equitable Life. The form is signed with the name MW and is dated September 8, 2011. It has the same Rutherford Road address indicated for receipt of the funds and the same fax number as above. The telephone number provided on the form matches RBC records for Honickman while he held a contract with RBC;
- f. However, DC and MW have confirmed that neither requested nor signed for a transfer of their funds from RBC Insurance to Equitable Life. Further the client signatures do not match the client signatures on file with RBC Insurance;
- g. RBC also received a similar form purporting to request the transfer of a policy held by FT with RBC Life Insurance to Equitable Life. The form is signed with the name and is dated September 8, 2011. It has the same Rutherford Road address indicated for receipt of the funds and the same fax number as above;
- h. However, FT has confirmed that while FT intended to make a transfer request of some kind in the future FT had not signed the form for the transfer of the funds dated September 8, 2011. Further the client signature does not match the client signature on file with RBC Insurance;
- i. RBC Insurance also received a "transfer authorization for non-registered investments" Equitable Life of Canada form dated September 6, 2011, purportedly on behalf of MM. The form indicated that the transfer was to be all in cash but that otherwise investment instructions were "to be determined upon receipt". The address provided for receipt of the funds was the same address on Rutherford Road and the form indicates the same fax number as above. The form is signed with the name MM;
- j. However, MM has confirmed that MM did not request or sign for a transfer of MM's funds from RBC to Equitable Life. Further the client signature does not match the client signature on file with RBC;
- k. All four individuals referred to in the transfer forms had been contacted by Honickman to discuss their financial arrangements but the meeting had not yet taken place. Honickman had either expressly or impliedly indicated that he was an agent for RBC when he was not;

3. The Superintendent has received information from Canada Life Assurance and the Equitable Life Insurance Company of Canada that in the months of September, October and November 2011, Honickman has met with clients of those companies, representing to them that he is a contracted insurance agent of those companies and seeking to rearrange their financial affairs. Honickman did not have a contract as an agent with either Canada Life or Equitable Life in that period of time and does not now have such a contract;
4. These acts are a violation of the licensing scheme in the Act and Honickman continues to engage in activities in violation of the Act and his duties as agent;
5. Honickman continues to engage in the financial services business under the name "Honickman Financial" and the business is still listed in the internet in at least one business directory, www.hotfrog.ca. The address provided for Honickman Financial on this website differs from the address set out above and for Honickman's address on file with the Superintendent (it is 3 Director Court, Suite 201, Vaughan Ontario L4L 4S5) but the phone number listed is the same as that on the Superintendent's file: 416-716-2971;
6. As long as the licence is not suspended, Honickman continues to be authorized to carry on business as an insurance agent with the public;
7. The Superintendent therefore is of the opinion that the public is at risk and will continue to be at risk until Honickman's licence is suspended or revoked; and accordingly that a delay in the suspension or revocation of Honickman's licence would adversely affect the public interest.

INTERM ORDER

IT IS ORDERED THAT the insurance agent licence of Honickman is immediately suspended, pursuant to sections 393 and 15(2) of the Act, pending the final order in this matter pursuant to the Notice of Opportunity for Hearing dated December 13, 2011.

Section 447(2)(b) of the Act provides that any person who fails to comply with any order made under the Act is guilty of an offence and liable on first conviction to a fine of not more than \$100,000 and on each subsequent conviction to a fine of not more than \$200,000.

Dated at Toronto, March 5, 2012

Original Signed By

Grant Swanson
Executive Director, Licensing & Market Conduct Division

by Delegated Authority from:
Superintendent of Financial Services

TO:

Laurence Marvin Honickman
3120 Rutherford Road #197
Vaughan ON L4K 0B2

Tel: 416.716.2971

AND TO:

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