

## Disclaimer

*An order that is made regarding a licence holder reflects a situation at a particular point in time. The status of a licence holder can change. Readers should check the current status of a person's or entity's licence on the Licensing Link section of FSCO's website. Readers may also wish to contact the person or entity directly to get additional information or clarification about the events that resulted in the order.*



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

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**REGARDING** the *Insurance Act*, R.S.O. 1990, c.1.8, as amended  
(the "Act"), in particular, sections 393(9) – 393(11)

**AND REGARDING** Luigi Francesco Ciardullo, life insurance agent

## DECISION and ORDER

Introduction:

A Notice of Opportunity for Hearing dated November 23, 2012 (the Notice) informed Luigi Ciardullo of allegations against him and the opportunity for a hearing before an Advisory Board to consider whether to issue him another licence as a life insurance agent. The Notice advised Mr Ciardullo if a hearing was not requested the Superintendent would make a decision based on information in possession of the Financial Services Commission of Ontario (the Commission). Mr Ciardullo was also advised that such decision could include refusal of his application for a licence as a life insurance agent.

I have received an affidavit from Shaifa Chandani, Licensing and Registration Specialist at the Commission that the Notice was sent by registered mail and regular mail to the address on file at the Commission. The affidavit further states that no request for a hearing was received. I am satisfied that the Notice was properly served in accordance with the provisions of the Insurance Act and that Mr Ciardullo did not request a hearing.

A copy of the allegations is attached to this Decision.

#### The Evidence:

Since Mr Ciardullo has not requested a hearing, the evidence of Commission staff in the particulars attached to the Notice is uncontroverted.

The evidence can be summarized as follows. Mr Ciardullo held a licence as a life insurance agent which expired on August 17, 2012. Mr Ciardullo applied for another licence. His application did not disclose two charges for fraud under the Criminal Code.

Mr Ciardullo received \$ 250,000 from two clients and misrepresented to his clients how those funds would be invested; the funds were in fact invested in a company owned by Mr Ciardullo.

Mr Ciardullo was disciplined by the Mutual Fund Dealers Association for several matters including accepting funds from a client and then using them for a purpose without the knowledge or consent of his client.

Mr Ciardullo's errors and omissions insurance was not renewed and Mr Ciardullo did not respond to questions from the Commission about his insurance coverage.

Mr Ciardullo did not provide the information requested by the Commission in its audit of compliance with continuing education requirements.

Mr Ciardullo had been subject to previous allegations by the Commission and while he requested a hearing, he did not participate in the pre-hearing conferences. Ultimately a hearing did not proceed since Mr Ciardullo's licence had by then expired.

#### Findings of Fact

I find that Mr Ciardullo has demonstrated untrustworthiness as a result of his misrepresentations to the Commission and misrepresentations to his clients.

I find that Mr Ciardullo failed to facilitate an examination by the Commission as a result of his failing to provide the requested information about compliance with continuing education requirements and errors and omissions insurance requirements.

I find that that Mr Ciardullo failed to maintain errors and omissions insurance as a result of the notice from his insurance company and his failure to respond to the Commission's audit of errors and omissions insurance.

Accordingly, I find that Mr Ciardullo is not suitable to be licensed as an insurance agent.

In the absence of testimony by Mr Ciardullo, I am unable to consider any explanations for his behaviour or mitigating circumstances.

Decision:

I have found that Mr Ciardullo is unsuitable to be licensed as a life insurance agent.

As a result, I must deny his application for a licence as a life insurance agent.

## **ORDER**

Accordingly, the application for a life insurance agent licence by Luigi Francesco Ciardullo is hereby denied by this order.

Dated at Toronto, this twenty-sixth day of June 2013

*Original Signed By*

Grant Swanson  
Executive Director, Licensing and Market Conduct  
by delegated Authority from  
Superintendent of Financial Services

## **Schedule 1**

The following allegations were set out in the Notice:

Allegations

1. Mr. Ciardullo has demonstrated untrustworthiness to transact the business of insurance for which the application to renew the licence was made, pursuant to sections 4(1)(i), 8 and 17 of Regulation 347/04 (the "Regulation") made under the Insurance Act, R.S.O. 1990, c.l.8, as amended (the "Act"), by:
  - a. Making a material misrepresentation or omission in his application to renew the licence, when he declared that he was not subject to charges under the Criminal Code.
  - b. Investing fees for life insurance in a company owned by him, which is not a corporate life insurance agency with FSCO.
  - c. Failing to refund the fees to the clients.
  - d. Conduct that resulted in the suspension of his mutual fund dealer licence.
  - e. Conduct in requesting an Advisory Board hearing with respect to a previous Notice of Opportunity for Hearing that was issued by FSCO to suspend or revoke his life insurance agent licence, and then requesting an adjournment and/or failing to attend any of the three pre-hearing conferences, so that a hearing could not be held prior to the expiry of his licence.
2. Mr. Ciardullo failed to maintain appropriate errors and omissions insurance ("E & O") prior to the expiry of his licence, as required by section 13 of the Regulation.
3. Mr. Ciardullo failed to facilitate an investigation by the Superintendent of Financial Services (the "Superintendent") prior to the expiry of his licence into whether he was in compliance with the requirement to maintain appropriate E & O, as required by section 443(3) of the Act.

4. Mr. Ciardullo failed to facilitate an investigation by the Superintendent prior to the expiry of his licence into whether he was in compliance with the requirement to complete continuing education as required by section 443(3) of the Act.

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