

Consensual Agreement and Undertaking

Between

**The Complaints and Investigation Committee
of
The Life Insurance Council of Saskatchewan
(the Committee)
and**

Happy Life Wealth Management Inc.

and

Liang Zhi Luo

The Committee is authorized under Bylaw 7, Section 5, subsection 3, subparagraph (b), to enter into consensual resolutions of complaints.

Bylaw 5, Section 1, subsection 1 reads: "The administrator shall, in addition to the requirements for the contents of a register required by the Act and the regulations, record on the register the existence and results of all disciplinary decisions or orders, court orders, alternative dispute resolution agreements, undertakings and mediation agreements involving a licensee or a person to whom the Life Insurance Council of Saskatchewan (Council) has the authority to issue a licence." Disciplinary actions as described are reported on the Insurance Councils of Saskatchewan website and the Canadian Insurance Regulators Disciplinary Actions (CIRDA) database.

Happy Life Wealth Management Inc. (Happy Life) acknowledges and agrees that:

1. It violated Council Bylaws when:
 - A. Contrary to Bylaw 8, Section 2 (d) it failed to exercise due diligence, resulting in six material mis-statements in applications for licence or reports to continue its licence;
 - B. Contrary to Bylaw 8, Section 2 (g) a licensee may be guilty of misconduct if the licensee: violates any provisions of the Act, the Regulations or the Bylaws;
 - i. As per Bylaw 2, Section 1, subsection (4)(c)(iii) it failed to notify Council within 30 days of the commencement of any other type of legal action for

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acts such as theft, mishandling of funds, misrepresentation, fraud, conversion, undue influence or breach of trust.

Liang Zhi Luo (Luo) acknowledges and agrees that:

2. He violated Council Bylaws when:
 - A. Contrary to Bylaw 8, Section 2 (d) he failed to exercise due diligence, resulting in six material mis-statements in applications for licence or reports to continue his licence; and
 - B. Contrary to Bylaw 8, Section 2 (g) a licensee may be guilty of misconduct if the licensee: violates any provisions of the Act, the Regulations or the Bylaws;
 - i. As per Bylaw 2, Section 1, subsection (4)(c)(iii) he failed to notify Council within 30 days of the commencement of any other type of legal action for acts such as theft, mishandling of funds, misrepresentation, fraud, conversion, undue influence or breach of trust.
 - C. Contrary to Bylaw 8, Section 2 (r) he:
 - i. Failed to exercise reasonable and prudent oversight when acting in a supervisory capacity.

Happy Life and Luo acknowledge and agree that:

3. Happy Life and Luo's rights to appear before a Discipline Committee of Council have been explained to them and they fully understand their rights and/or obligations under Council Bylaw 10.
4. They waive their rights to appear before a Discipline Committee and undertake not to exercise any appeal rights they may have under Council Bylaw 10, Section 3 or *The Saskatchewan Insurance Act*, (the Act) as it relates to matters set out in this Consensual Agreement and Undertaking (Agreement).
5. This Agreement does not preclude Council from pursuing any other investigation against Happy Life and/or Luo for future activities not identified in this Agreement that may be in violation of Council Bylaws or the Act.
6. Happy Life and Luo have been advised by the Committee that it is in their interests to obtain independent legal advice before entering into this Agreement:
 - A. They have obtained such independent legal advice and are satisfied with the same, prior to executing this Agreement, or

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- B. They have willingly chosen not to obtain such advice prior to executing this Agreement.
7. Happy Life and Luo hereby affirm that they have read and understood the terms of this Agreement, and are signing it voluntarily and of their own free will.

Happy Life having waived its rights, undertakes to:

1. Pay a fine in the amount of \$1,750.00

Luo having waived his rights, undertakes to:

1. Pay a fine in the amount of \$2,000.00

Happy Life and Luo, jointly or severally agree to:

1. Reimburse Council's investigation costs in the amount of \$1,100.00.
2. Pay all fines and investigative costs within 30 days of receipt of this Agreement.

The Committee's Agreement:

1. The Committee agrees to accept from Happy Life and Luo the payment of \$4,850.00 as full and final resolution of this violation of Council's Bylaws as outlined in this Agreement; and
2. The Committee further agrees to take no further action against Happy Life and Luo for the acknowledged violations of Council's Bylaws that are set out in this Agreement.

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Happy Life Wealth Management Inc. & Liang Zhi Luo

Dated at Toronto, in the Province of Ontario, this 4th day of April, 2017.

Originally Signed by

Liang Zhi Luo for Happy Life Wealth Management Inc.

Dated at Toronto, in the Province of Ontario, this 4th day of April, 2017.

Originally Signed by

Liang Zhi Luo

Dated at Saskatoon, in the Province of Saskatchewan, this 10th day of April, 2017.

Originally Signed by

**Roderick Baxter, Chair, Complaints and Investigation Committee
Life Insurance Council of Saskatchewan**