

FINANCIAL SERVICES TRIBUNAL

Citation: Ishaan Ahuja v. Ontario (CEO of FSRA),
2025 ONFST 22
FST File No. I1074-2024
Date: 2025/04/11

IN THE MATTER OF the *Insurance Act*, R.S.O. 1990, c. I.8, as amended (the “Act”), in particular sections 392.4 and 407.1;

AND IN THE MATTER OF a Notice of Proposal to Refuse to Renew Licence dated November 4th, 2024 issued by the Director, Licencing by delegated authority from the Chief Executive Officer of the Financial Services Regulatory Authority;

AND IN THE MATTER OF a Request for Hearing in accordance with subsection 407.1(2) and 407.1(3) of the Act.

B E T W E E N:

ISHAAN AHUJA

APPLICANT

and

**CHIEF EXECUTIVE OFFICER of the
FINANCIAL SERVICES REGULATORY AUTHORITY**

RESPONDENT

BEFORE:

Panel Chair: Mr. Paul Farley, Vice-Chair, Financial Services Tribunal

APPEARANCES:

For the Applicant – Ms. Jacqueline Houston, Counsel, Adair Goldblatt Bieber

For the Respondent – Ms. Tamara Brooks, Counsel, Ms. Michelle Samaroo, Counsel, Ms. Nadia Policheni, paralegal

DATE HEARD:

March 13, 14 and 19, 2025

REASONS FOR DECISION

I. INTRODUCTION

1. On November 4, 2024, the Chief Executive Officer of the Financial Services Regulatory Authority (“FSRA”) issued a Notice of Proposal (“NOP”) with respect to Ishaan Ahuja. This

proceeding was then commenced by a Request for Hearing (“RFH”) filed by the Applicant, in response to the NOP, on November 18, 2024.

2. In the NOP the CEO of FSRA proposed to “...*refuse to renew the insurance agent licence issued to Ishaan Ahuja.*”

3. The issues proposed by the Respondent and agreed to by the Applicant at the pre-hearing conference of January 6, 2025, were as follows:

(a) *Did the Applicant conduct unlicensed insurance agent activity contrary to section 2(1) of Ontario Regulation 347/04?*

(b) *Did the Applicant make material misstatements or omissions on the applications to renew the licences contrary to section 8(b) of Ontario Regulation 347/04?*

(c) *Has the Applicant demonstrated incompetence or untrustworthiness to transact the insurance agency business for which the licences have been granted, contrary to section 8(d) of Ontario Regulation 347/04?*

(d) *If the answer to issues (a), (b), (c), alone or in combination are “yes”, is the Applicant suitable to be licensed as an insurance agent?*

(e) *If the answer to (d) is no, what order should the CEO be directed to make?*

II. DISPOSITION

4. After carefully considering all the evidence and the submissions by the Parties in this case the Tribunal has concluded that FSRA should renew the insurance agent licences of Mr. Ahuja on terms and conditions.

III. FACTUAL BACKGROUND

5. The parties were able to reach agreement with respect to background facts and an Agreed Statement of Facts was filed with the Tribunal.

6. Mr. Ahuja was first licensed as a sponsored life, and accident and sickness agent (“Life Agent”) from March 2018 until the licence terminated in June 2018.

7. In July 2018, Mr. Ahuja accepted employment with the Toronto Dominion Bank as a financial advisor. He was dismissed for cause on March 1, 2019, on allegations that he breached the TD Bank Code of Conduct and Ethics policy. It was agreed that the misconduct alleged was related to misusing his position of trust and failing to protect customer privacy.

8. More specifically it was alleged that Mr. Ahuja had made long distance calls to India on a TD Bank phone, made personal use of bank systems during his shift and accessed TD customer profiles without a valid business reason. Mr. Ahuja testified that he did not agree with the allegations made by TD Bank but was told there was no appeal, and he did not have the funds necessary to take legal action to contest the allegations made.

9. On April 13, 2021, Mr. Ahuja applied for registration with the Ontario Securities Commission (“OSC”), as a mutual fund dealer with Carte Wealth Management Inc. acting as his

sponsoring firm. On his registration application to the OSC, the Applicant disclosed that he had been terminated from TD Bank and submitted a Form 33-109F1 "Notice of Termination Information for an Individual" ("Notice of Termination Form") describing the circumstances of his termination.

10. The Notice of Termination Form stated that Mr. Ahuja was "*dismissed for cause*" from the TD Bank. The form also answered yes to the question "*Did the firm...investigate the individual relating to possible material violations of fiduciary duties...*".

11. The reasons for dismissal, set out on the Notice of Termination Form, stated that Mr. Ahuja was "*Dismissed for cause breaching the Bank's Code of Conduct and Ethics policy. Misconduct relates to misusing position of trust. There was no involvement with mutual funds. This matter will be reported to the Mutual Fund Dealers Association of Canada. The individual was investigated for failing to follow policies and procedures related to accessing customer information and protecting customer privacy.*"

12. As a result of his application for registration as a mutual fund dealer Mr. Ahuja was interviewed by the OSC on July 21, 2021. During the interview Mr. Ahuja was advised by the OSC representative that when a person is dismissed for cause from an employer that circumstance will, in most cases, result in an enquiry to determine whether the person is fit for registration due to integrity. The OSC representative told Mr. Ahuja that "*...under the Securities Act there are three main criteria that all applicants and firms have to meet in order to be found suitable for registration under the Securities Act, and they are integrity, proficiency and solvency.*"

13. In December 2021, after the investigation by the OSC was complete, Mr. Ahuja was found suitable for registration under the *Securities Act* and his application as a mutual fund dealer was approved, subject to terms and conditions. By this time, he was no longer working for Carte Wealth but had moved to a full-time position with Co-Operators Life and Co-Operators General Insurance companies ("Co-operators") starting August 2021. Mr. Ahuja disclosed to Co-operators his previous dismissal with TD Bank.

14. In April 2022, the Applicant updated his registration with the OSC, as a mutual fund dealer, to show Co-operators Financial Investment Services Inc. as his sponsoring firm. The Applicant's registration form again disclosed his termination from TD Bank as described above.

15. On June 1, 2022, OSC staff advised Mr. Ahuja that his updated registration application had been granted, subject to the following terms and conditions imposed by the OSC on his registration under the *Securities Act*:

- a) The Registrant is subject to close supervision for a minimum of 11 months from the effective date of these terms and conditions.
- b) Monthly Close Supervision Reports (in the form specified in Schedule A to CSA Staff Notice 31-349 Change to Standard Form Reports for Close Supervision and Strict Supervision Terms and Conditions) are to be completed on the Registrant's sales activities and dealings with clients. The supervision reports are to be retained by the sponsoring firm and must be made available for review upon request or as required by the Close Supervision Report.

16. Once Mr. Ahuja received his registration with the OSC, on June 1, 2022, his role with Co-operators expanded to include working as a mutual funds specialist.

17. On June 8, 2023, the Chief Compliance Officer for Co-Operators wrote to the OSC to confirm that Mr. Ahuja had completed his close supervision period with no issue or compliance concerns.

18. At the time of this hearing Mr. Ahuja continues to be licensed with the OSC as a mutual funds dealer with no terms and conditions.

Applications for general and life agent licences.

19. During the period that Mr. Ahuja was applying for a mutual fund dealer's licence from the OSC he was also seeking a General Agent licence and a Life Insurance and Accident and Sickness Agent licence from FSRA.

20. On September 29, 2021, the Applicant submitted a new Life Agent license application. That licence was issued on October 29, 2021, and expired on October 28, 2023.

21. On October 4, 2021, the Applicant submitted a new General Agent license application. That licence was issued on October 25, 2021, and expired on October 24, 2023.

22. After his insurance agent licenses were issued and Mr. Ahuja received his reactivated registration as a mutual fund dealer from the OSC, in June 2022, Mr. Ahuja assumed operation and management of a Co-operators agency in Toronto, with two associate insurance advisors.

23. On August 29, 2023, the Applicant submitted a renewal application to FSRA to be licensed as a General Agent.

24. On November 2, 2023, the Applicant submitted a renewal application to FSRA to be licensed as a Life Agent.

25. Each of the license applications (the initial applications and the renewal licence applications) had suitability questions. One question asked:

(a) Have you ever had an employment or business relationship or association with a volunteer organization terminated for breach of confidentiality, breach of trust, fraud, misappropriation of funds, theft, forgery, sexual harassment physical assault?
(underlining added)

Mr. Ahuja answered no to this question on all four applications notwithstanding his termination from TD Bank for the reasons given on the Notice of Termination Form including "...Misconduct relates to misusing position of trust...The individual was investigated for failing to follow policies and procedures related to accessing customer information and protecting customer privacy..."
(underlining added)

26. The September 29, 2021, new application asked for employment history including the name of the employer, the date employed, the position held and the reason for leaving. Mr. Ahuja listed TD Bank as an employer and noted the reason for leaving as "*better opportunity*".

27. The two renewal applications submitted in August and November 2023, had the question:

(a) Have you ever had a licence or registration to deal with the public refused, revoked, suspended or cancelled or subject to any restrictions or conditions? (underlining added)

28. Mr. Ahuja answered no to this question on each of the renewal applications, notwithstanding the fact that his registration as a mutual fund dealer had been subject to conditions imposed by the OSC on June 1, 2022.

29. On the two renewal applications Mr. Ahuja swore to have truthfully answered all the questions and confirmed that he understood that “...providing false, misleading or incomplete information in this application and/or any attachments requested may be sufficient grounds to reject the application or revoke a licence or result in your prosecution. By clicking the confirmed button below, you swear that you have truthfully answered all questions contained within this electronic application.” (underlining added) Mr. Ahuja clicked the confirmed button.

Acting as a life insurance agent without a licence

30. In his renewal applications Mr. Ahuja also confirmed that he would not act as a life insurance agent until a licence is issued.

31. The Parties agreed that Mr. Ahuja became unlicensed, and unable to conduct the business of insurance, with the expiry of his Life Agent licence on October 28, 2023, and his General Agent licence on October 24, 2023.

32. Notwithstanding the expiry of his insurance licences in October 2023, Mr. Ahuja continued to transact insurance business for over four months, until February 2024.

33. During the period that Mr. Ahuja acted as a Life Agent without a license he arranged for the registration and placement of more than fifty insurance policies. The commissions paid to Mr. Ahuja for arranging these policies were clawed back once Co-operators (who had issued the policies) were made aware by FSRA that it is unlawful to act as a Life Agent without a licence, even if an application for renewal is pending.

IV. ANALYSIS

34. Counsel for Mr. Ahuja submits that it is necessary for the Respondent to show reasonable grounds to support the assertion that Mr. Ahuja is not suitable to be licensed.

35. Counsel for the Respondent submits that the Applicant is not suitable to be licensed based on the Applicant's past conduct at TD Bank, the recent conduct in acting as an agent while unlicensed, and material misstatements or omissions on licence applications. All these factors, the Respondent argues, demonstrate that Mr. Ahuja will not act with honesty and integrity, and in accordance with the law if licensed. In addition, they say the Applicant is not of good character and reputation, and he is untrustworthy to transact the insurance agency business.

36. In determining whether Mr. Ahuja is suitable to be licensed we start with a review of the issues agreed to by the parties.

The first issue: (a) Did the Applicant conduct unlicensed insurance agent activity contrary to section 2(1) of Ontario Regulation 347/04?

37. There is no question that during the period from the expiry of Mr. Ahuja's licences at the end of October 2023 until the end of February 2024, Mr. Ahuja continued to carry on business as a General Insurance Agent and Life Insurance and Accident & Sickness agent.

38. During this four-month period, when he was unlicensed, Mr. Ahuja solicited clients, applied for life insurance policies on behalf of clients, and/or arranged for the registration and placement of more than fifty (50) insurance policies.

39. While Mr. Ahuja was paid commissions for placing insurance policies, these commissions were clawed back by Co-operators when they were made aware by FSRA that it was unlawful for an unlicensed person (including an unlicensed person who is applying for renewal) to be placing insurance.

40. Mr. Ahuja did not, however, simply continue acting as a licensed agent when he was not licensed without making enquiries as to what was permitted. Mr. Ahuja contacted his manager, and asked if he could continue to do business after his licence expired while the renewal application was being considered by FSRA. His manager, in turn, requested an opinion from Co-operators Distribution Services and Market Conduct and was told that "*...as long as the renewal is pending with the regulator, then yes, he can still transact business.*". This advice was relayed to Mr. Ahuja by his manager.

41. On February 22, 2024, a Co-operators Market Conduct Specialist Agency Sales and Support person wrote to Melissa Bellamy, Senior Registration Specialist, Licensing Compliance Market Conduct FSRA and asked for confirmation that Mr. Ahuja was able to continue doing business while his renewals were under review. Ms. Bellamy properly responded that an active licence is required to conduct any insurance business. At this point Mr. Ahuja immediately ceased conducting insurance business.

42. While it is never appropriate for an unlicensed individual to advise clients on insurance and place insurance policies, the steps taken By Mr. Ahuja in making enquiries as to his status and ability to act as an insurance agent while the renewal process was ongoing do present significant mitigating circumstances.

43. Persons engaged in the business of insurance have a responsibility to ensure that they are acting in accordance with the *Act*. Mr. Ahuja took steps to satisfy himself that he was acting in accordance with the *Act* by making enquiries of his employer. One would think that an insurance company would be aware of the *Act* and understand the rules. The advice given to Mr. Ahuja by Co-operators that he could continue to sell insurance was, remarkably, wrong.

44. In the circumstances, while the conduct of Mr. Ahuja in conducting insurance business without a licence cannot be condoned, it can be understood.

45. While the answer to the first issue is...yes, the Applicant did conduct unlicensed insurance agent activity contrary to section 2(1) of Ontario Regulation 347/04, in my view, this circumstance, given the unique facts of this case, is not sufficient to lead to the conclusion that there are reasonable grounds to believe that the Applicant is not suitable to be licensed.

46. In my view the foundation for the Respondent's position that the Applicant is not suitable to be licensed is found in the second and third issues, which are related.

The Second issue: (b) Did the Applicant make material misstatements or omissions on the applications to renew the licences contrary to section 8(b) of Ontario Regulation 347/04?

The Third Issue: (c) Has the Applicant demonstrated incompetence or untrustworthiness to transact the insurance agency business for which the licences have been granted, contrary to section 8(d) of Ontario Regulation 347/04?

47. It is clear on the evidence in this case that Mr. Ahuja made material misstatements on the applications for new licenses dated September 29, 2021, and October 4, 2021, and on the applications to renew the licences dated August 29, 2023, and November 2, 2023. The CEO has chosen to frame the issues to specifically refer to the misstatements on the renewal applications and not the applications for the new licences. Notwithstanding the restrictive framing of the issues, the misstatements on the new licences are relevant in the context of the third issue.

48. Mr. Ahuja testified that he answered "no" to the question on his new license applications and his renewal applications *"Have you ever had an employment or business relationship...terminated for breach of confidentiality, breach of trust...?"*. He said that he accepted this was an incorrect answer and that he should have disclosed the information in the Notice of Termination Form from the TD Bank in response to this question. He agreed that he should have answered yes or sought clarity on the question.

49. Given the wording on the TD Bank Notice of Termination Form, that had been provided to Mr. Ahuja, advising that Mr. Ahuja's *"...Misconduct relates to misusing position of trust...The individual was investigated for failing to follow policies and procedures related to accessing customer information and protecting customer privacy..."* it is difficult to comprehend how further clarity was required. The question was clear on its face, and it is a question that was answered falsely, not only on the new licence applications filed in 2021 but also on the licence renewal applications filed in 2023.

50. Mr. Ahuja answered "No" on the September 29, 2021, application for a Life Insurance and Accident and Sickness Licence and on the October 4, 2021, Licensing Application for General Agent Licence to the question *"you have not been subject to discipline nor are you currently the subject of an investigation by a regulatory authority in this jurisdiction or elsewhere..."*. This answer was false because at the time he answered this question Mr. Ahuja was subject to an investigation by the OSC.

51. On the new Life Insurance and Accident and Sickness licence application dated September 29, 2021, Mr. Ahuja declared that he left the TD Bank for *"Better Opportunity"*. This is false. Mr. Ahuja was terminated. We do not know how Mr. Ahuja answered the same question on the new General Agent licence application dated October 4, 2021, since this question was not shown on the summary of answers filed in evidence.

52. Mr. Ahuja testified that when he filed the 2021 new licence applications, he provided incorrect answers because of a lack of judgement and stress occasioned by his concern about not getting a licence and being under investigation by the OSC. He was under additional stress,

he said, because he had not had proper employment since he was dismissed from the TD Bank in March of 2019.

53. In the renewal applications filed August 29 and November 2, 2023, Mr. Ahuja declared that he had not “...ever had a licence or registration to deal with the public refused, revoked, suspended or cancelled or subject to any restrictions or conditions?” (underlining added) This declaration was false because Mr. Ahuja had conditions placed on his mutual fund licence by the OSC.

54. Only two months before the renewal applications, on June 8, 2023, Co-operators had sent correspondence to the OSC to inform that Mr. Ahuja had complied with the terms and conditions that had been placed on his mutual fund dealers' licence and there had been no complaints. Mr. Ahuja testified that he had been provided a copy of this letter.

55. Mr. Ahuja testified that he thought the question with respect to conditions on a licence was in reference to conditions *currently* on a licence. The question, however, is not unclear. The application asks “Have you ever had a licence or registration to deal with the public...subject to any restrictions or conditions?” Mr. Ahuja acknowledged that he should have been more careful but said he made an honest mistake. Even giving Mr. Ahuja, the benefit of the doubt that this was an honest mistake, this answer shows an absence of the care expected of a person applying for an insurance licence.

56. I have concluded that the answer to issue two is yes; the Applicant did make material misstatements or omissions on the applications to renew the licences submitted to FSRA on August 29 and November 2, 2023, contrary to section 8(b) of Ontario Regulation 347/04.

57. The answer to issue three is somewhat more nuanced. Any intentional false answer on an application for a licence will, inevitably, demonstrate a degree of incompetence or untrustworthiness. Left to be determined is whether the degree of untrustworthiness demonstrated is sufficient to allow the conclusion that Mr. Ahuja is not suitable to be licensed as an insurance agent to transact insurance agency business.

The fourth issue: (d) If the answer to issues (a), (b), (c), alone or in combination are “yes”, is the Applicant suitable to be licensed as an insurance agent?

58. The question remains...given my findings on issues one to three, is Mr. Ahuja suitable to be licensed as an insurance agent?

59. In concluding on this question, I do not consider the conduct of Mr. Ahuja that was alleged by the TD Bank. The Respondent did not raise that conduct as an issue and the facts in support were sketchy at best. Mr. Ahuja did not accept the assertion by TD Bank that he had made long distance telephone calls, and he did not accept that he had breached privacy and trust by accessing customer files. No evidence was called to support the assertions made by TD Bank.

60. Even if the TD Bank assertions had been proven, this conduct resulted in Mr. Ahuja's termination from the TD Bank on March 1, 2019. Over six years have passed and there have been no client complaints made against Mr. Ahuja since he was dismissed. The conduct, if proven, could certainly be described as inappropriate but in my view, given the passage of time and the nature of the alleged misconduct, it is not sufficient evidence to conclude that Mr. Ahuja is not suitable to be licensed.

61. The allegations of misconduct raised by TD Bank are primarily relevant as context to the failure to truthfully answer, on the applications for new agent licenses and renewals, questions that pertained to Mr. Ahuja's history.

62. The CEO is required to issue a licence to act as an insurance agent to an applicant who satisfies the prescribed requirements for a licence *unless* the CEO believes on reasonable grounds that the applicant is not suitable. Section 392.4 of the Act states:

392.4 (1) *The Chief Executive Officer shall issue a licence to act as an insurance agent in Ontario to an applicant who applies in accordance with [section 392.3](#) and who satisfies the prescribed requirements for the licence unless the Chief Executive Officer believes, on reasonable grounds, that the applicant is not suitable to be licensed having regard to such circumstances as may be prescribed and such other matters as the Chief Executive Officer considers appropriate. [2014, c. 9](#), Sched. 3, s. 15; [2018, c. 8](#), Sched. 13, s. 22.¹ (underlining added)*

63. Ontario Regulation 347/04 sec. 7(4) states: "(4) An application for renewal of a licence may be refused on any grounds on which the Chief Executive Officer is authorized to suspend or revoke the licence."² Section 8 of Ontario Regulation 347/04 states:

8. *The Chief Executive Officer may suspend or revoke a licence on any grounds on which an application for a 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. O. Reg. 347/04, s. 8; O. Reg. 145/19, s. 3.³*

64. In the context of regulatory statutes, the term "...reasonable grounds to believe..." requires a lower standard of proof than the civil standard, "balance of probabilities" which requires a consideration of whether it is "more likely than not" that the matter asserted has been established.

65. In the *Famous Flesh Gordon's*⁴ case Mr. Justice Goudge, writing for the Ontario Court of Appeal, sets out the difference between the civil standard "balance of probabilities" and the "reasonable grounds to believe standard" in a consideration of s. 6(2)(d) of the *Liquor Licence Act*. That section provides that an applicant for a liquor licence is not entitled to a licence if his past or present conduct affords reasonable grounds for belief that he will not carry on business in accordance with the law and with integrity and honesty.

¹ *Insurance Act* R.S.O. 190, CHAPTER I.8, sec. 392.4

² *Ontario Regulation 347/04*, sec 7(4)

³ *Ibid.*, sec 8

⁴ *Ontario (Alcohol and Gaming Commission) v. 751809 Ontario Inc.*, 2013 ONCA 157

[18] The standard of proof provided by s. 6(2)(d) of the Act is that of "reasonable grounds for belief". There is no doubt that this is a lower standard of proof than "balance of probabilities". The Supreme Court of Canada made that clear in *Mugesera v. Canada (Minister of Citizenship and Immigration)*, [2005] 2 S.C.R. 100, [2005] S.C.J. No. 39, which dealt with this standard, one commonly used in regulatory statutes, in the context of the Immigration Act. The court said this, at para. 114:

The FCA has found, and we agree, that the "reasonable grounds to believe" standard requires something more than mere suspicion, but less than the standard applicable in civil matters of proof on the balance of probabilities: *Sivakumar v. Canada (Minister of Employment and Immigration)*, [1994] 1 F.C. 433 (C.A.), at p. 445; *Chiau v. Canada (Minister of Citizenship and Immigration)*, [2001] 2 F.C. 297 (C.A.), at para. 60. In essence, reasonable grounds will exist where there is an objective basis for the belief which is based on compelling and credible information: *Sabour v. Canada (Minister of Citizenship & Immigration)* (2000), 9 Imm. L.R. (3d) 61 (F.C.T.D.).⁵

66. In this case the Respondent must establish an objective basis for the belief that Mr. Ahuja is not suitable to be licensed as an insurance agent based on compelling and credible information.

67. It is clear on the evidence that Mr. Ahuja has made material misstatements in the applications for the licences and renewals. As noted above, the making of a false statement on an application, in itself, demonstrates a level of dishonesty. That, conclusion, however, is not the end of the analysis. The next step is to determine if the misstatements, in all the circumstances of this case, provide to the CEO of FSRA the compelling and credible evidence necessary to conclude, on reasonable grounds, that the applicant is not suitable to be licensed as an insurance agent.

68. The false answers, on their own, do not inevitably lead to the conclusion, advocated by the Respondent, that there are reasonable grounds to believe that Mr. Ahuja is not suitable to be licensed. If the mere fact of a false answer was enough to require the refusal of a licence the legislature, in section 392.4(1) of the *Act* and Sections 7(4) and 8 of Ontario Regulation 347/04, would not have provided a discretion in the CEO to issue a licence where a false statement had been made.

69. In deciding suitability to act as an insurance agent it is useful to have regard to the criteria set out in *Henderson v. Ontario (Superintendent Financial Services)*⁶. The Tribunal in *Henderson* was dealing with an individual who was applying for a mortgage agent's licence and who had previously been disciplined by the Law Society of Upper Canada for engaging in professional misconduct. The criteria established by the Tribunal in *Henderson* for determining whether past conduct of an individual affords reasonable grounds for belief that the individual will not deal or trade in mortgages in accordance with the law and integrity and honesty can readily be applied to this case.

⁵ Ontario (Alcohol and Gaming Commission) v. 751809 Ontario Inc., 2013 ONCA 157, para. 18

⁶ 2008 ONFST 7, p. 9

70. The considerations identified by the Tribunal in *Henderson* that should be considered when determining whether the previous conduct of an individual affords reasonable grounds for belief that the individual is not suitable to be licenced are:

- (i) the time that has elapsed since the conduct occurred;
- (ii) the prolonged or repetitive nature of the conduct;
- (iii) the advertent or inadvertent nature of the conduct;
- (iv) the extent to which the conduct can be taken to call into question the integrity, honesty or law-abiding nature of the individual;
- (v) the closeness of the context of the conduct to the context of activities in which the individual would be engaged as a mortgage agent;
- (vi) the fairness of the process followed in the disciplinary proceeding;
- (vii) the seriousness with which the disciplinary body treated the conduct as reflected in the severity of the sanction it imposed;
- (viii) any unusual and severe pressure the individual was under at the time of the conduct that would explain the conduct but is unlikely to reoccur;
- (ix) any consistent and prolonged pattern of reformed or redeeming behaviour on the part of the individual since the conduct occurred.⁷

71. The *Henderson* considerations should be looked at in the context of the case before the Tribunal. Not every consideration will apply to every case and those that do apply will be given more or less weight, depending on the unique circumstances of each case. The criteria are not to be applied slavishly but are to be considered as a guide in determining whether there are reasonable grounds for a belief that a person will not carry out licensed activity in accordance with the law and with integrity and honesty.⁸

72. In this case not all the *Henderson* considerations apply. Those that do apply follow.

The time that has elapsed since the conduct has occurred.

73. The TD bank determined that Mr. Ahuja had misused his position of trust and failed to protect customer privacy and terminated his employment on March 1, 2019. The misconduct that resulted in his termination took place shortly before that. Over six years have passed. Even if the conduct of Mr. Ahuja at the TD bank was a factor in determining whether he is suitable to be licensed as an insurance agent today, which I have determined it is not, the period of time that has passed make it less relevant.

⁷ Ibid., p. 9

⁸ *Seulal v. Ontario (CEO of FSRA)*, 2024 ONFST 4, para. 64

74. The applications for licences and for renewal of licences are much more relevant. The false statements on the initial applications for new licences took place in September and October 2021, three and a half years ago. A considerable period of time has passed.

75. The false statements on the renewal applications took place in August and November 2023, approximately one and a half years ago. These are relatively recent occurrences.

76. All the false statements are concerning. Mr. Ahuja provides no reasonable excuse for making the false statements. The fact that he was stressed at the time of the initial applications is not a good answer to making a false statement to the Regulator. His suggestion that he misunderstood some of the questions in the applications for renewal and made an honest mistake is less than credible.

77. The amount of time that has elapsed since Mr. Ahuja made the false statements is not in the same category as the time that has elapsed since the conduct that resulted in his dismissal from TD Bank. Mr. Ahuja cannot rely on passage of time, particularly on the renewal applications, to mitigate the seriousness of making of these false statements.

78. With respect to continuing to carry on the business of insurance while unlicensed, that misconduct is certainly recent, having ended in February 2024. It is not a consideration in determining whether Mr. Ahuja is suitable to be licenced, however, for the reasons given above.

The prolonged or repetitive nature of the conduct

79. There were four separate occasions that Mr. Ahuja filed applications for insurance agent licences which contained false information. The first false application for a new agent licence was filed September 29, 2021. The last application, a renewal, was filed November 2, 2023.

80. Mr. Ahuja had over two years to consider his misconduct in making false statements on the first application by the time he filed the renewal applications. He did not reconsider his misconduct but continued to provide false answers that were consistent with the false answers he had provided on his initial applications.

The advertent or inadvertent nature of the misconduct

81. The false statements made on the applications can only be construed as advertent. I find as a fact that Mr. Ahuja knew, or should have known, that he was making false statements on all the applications at the time that he made them. Being under stress because of fear that he may not get a licence, and employment based on the licence, is not a valid excuse.

The extent to which the conduct can be taken to call into question the integrity, honesty or law-abiding nature of the individual.

Any unusual and severe pressure the individual was under at the time of the conduct that would explain the conduct but is unlikely to reoccur.

82. I accept that Mr. Ahuja was under considerable stress when he first applied for new insurance agent licences. He had lost his job with TD and since that time he had been employed at several different jobs, including driving as an Uber driver. An insurance agent licence would open new avenues of opportunity and advancement to him. Much was at stake.

83. When Mr. Ahuja applied for renewals many of the same questions were asked. Mr. Ahuja was in a difficult position. If he answered the questions on the renewals accurately, he might well draw attention to the previous answers he had given that were false.

84. The stress in seeking suitable employment and the need to be consistent in his answers (and so provide non-contradictory false answers on the renewals) is no excuse for what Mr. Ahuja is proven to have done. He has lied to the Regulator on forms used by the Regulator to ensure that insurance agents have the integrity to be licensed.

85. Filing with the Regulator false applications for a licence or renewal does call into question the integrity and honesty of Mr. Ahuja. This fact alone, however, is not dispositive of the main issue, which is whether Mr. Ahuja is suitable to be licensed.

The closeness of the context of the conduct to the context of activities in which the individual would be engaged as a mortgage agent.

86. Members of the public place considerable trust in insurance agents. Trust that the advice given will be accurate. Trust that the required forms to be filed with insurance companies will be accurate and complete.

87. The need to file accurate forms is something that insurance agents are required to do as a part of their work. In this sense the conduct of Mr. Ahuja in filing false applications for licence is close to the context of activities that he will be engaged in as an insurance agent.

Any consistent and prolonged pattern of reformed or redeeming behaviour on the part of the individual since the conduct occurred.

88. A redeeming feature of this case is the behaviour of Mr. Ahuja in the six years since he was dismissed from TD Bank.

89. Aside from filing these false applications with the Regulator, Mr. Ahuja has acted as a competent and valued employee of Co-operators.

V. CONCLUSION

90. There is, I believe, another factor, not mentioned in *Henderson*, that is relevant in determining whether past conduct of Mr. Ahuja affords reasonable grounds for belief that he will not deal or trade in mortgages in accordance with the law and integrity and honesty. That additional factor is the nature of the false statements made. Not all false statements carry the same degree of seriousness.

91. The false statements made by Mr. Ahuja on the various applications for insurance agent licences were with respect to matters that another regulator, the OSC, was fully aware of and yet determined that Mr. Ahuja was suitable for licensing as a mutual funds dealer. A mutual fund dealer, like an insurance agent, is required to have high standards of honesty and integrity.

92. This is not a case where the misstatements were designed to hide conduct so egregious (fraud or theft are examples) that it is certain that a licence would be refused. It seems likely that had Mr. Ahuja fully disclosed his past circumstances with TD Bank, through full and honest answers on the applications, FSRA might well have investigated and issued insurance agent licences, with or without conditions, like the OSC had done with respect to the mutual fund

dealers licence. This, by no means, excuses false statements to a regulator. It is, however, a factor to consider when deciding whether a licence should be granted to Mr. Ahuja.

93. The mere existence of a false statement on an application for insurance agent's licence does not mean that a licence should be refused by the CEO.⁹ A false statement on an application is "...a circumstance that the Superintendent may consider in determining whether a licence should be issued. Neither the Regulation nor the Act mandates the actual weight that must be given this circumstance by the Superintendent."¹⁰

94. Even where it is incontrovertible that a false statement has been made on an application for an insurance licence, the statutory test remains, does the CEO have reasonable grounds for believing the Applicant is not suitable to be licensed. Put differently, do the false statements made by Mr. Ahuja, in all the circumstances of this case, provide the credible and compelling evidence necessary to establish an objective basis for the belief that the applicant is not suitable to be licensed. In my view they do not.

95. In deciding that the false statements made by Mr. Ahuja, on licence applications, do not provide reasonable grounds to believe that Mr. Ahuja is not suitable to be licensed I rely on the following factors:

- The false statements made on the applications were not an attempt to hide from the regulator past egregious misconduct like fraud or theft. Mr. Ahuja was attempting to hide the circumstances involving a dismissal from a previous employer that included allegations of improper long-distance use of the employer telephone, access to customer accounts without a valid business reason and improper personal use of bank systems during his shift.
- Mr. Ahuja, since August of 2021, has conducted himself as an employee with Co-operators without complaint from any customer and with positive appraisals from his superiors, one of whom testified to that effect at the hearing. His lead supervisor testified that, notwithstanding the circumstances described in the NOP issued by FSRA, he continued to believe that Mr. Ahuja was an honest person. Mr. Ahuja has received glowing reviews from all his Co-operators coaches.
- Co-operators, being aware of the circumstances that bring Mr. Ahuja before the Tribunal, remains committed to having Mr. Ahuja as an employee, even to the extent of continuing his employment if an insurance agent licence is not granted. They will continue to support Mr. Ahuja if a licence was issued with conditions.
- Since April 13, 2021, when Mr. Ahuja became a licensed mutual fund dealer, there has been no disciplinary action taken against him by a regulator, other than the current matter before the Tribunal.
- Mr. Ahuja was placed under supervision and had conditions attached to his mutual fund dealers' licence by the OSC. The supervision period went by with no complaints

⁹ *Anandappa v. Ontario (Superintendent of Financial Services)*, ONFST 9, p. 8

¹⁰ *Alves v. Ontario (Superintendent of Financial Services)*, 2008 ONFST 10, p. 13

or concerns. As a result, the conditions attached to his licence were removed at the end of the period.

- Mr. Ahuja has been under virtual suspension since February 2024 when he ceased acting as an insurance agent with Co-operators. While, during this time, he could continue to sell mutual funds he could not sell insurance products, and this has had an impact on his income. Mr. Ahuja testified that his income dropped 40 to 50 percent when he became unable to sell insurance. These circumstances will serve to demonstrate to Mr. Ahuja that there are real consequences to dishonest behaviour and will provide a deterrent against similar misconduct in the future.

96. The refusal of a licence to carry on insurance business is the most significant consequence available to the regulator when considering whether an applicant is suitable to be licenced. The Tribunal is required to consider a range of penalties taking into account the seriousness of the misconduct and other relevant factors, including those set out above.

97. In *Joshi v. Ontario (Superintendent of Financial Services)*, the Ontario Divisional Court was considering an appeal of a decision of this Tribunal that had found Joshi to be unsuitable to remain licensed as a mortgage broker because his past conduct afforded reasonable grounds for belief that he would not deal or trade in mortgages in accordance with the law and with integrity and honesty. In deciding that the Tribunal should have considered lesser penalties Mr. Justice Lococo, in oral reasons, said:

[13] While the Tribunal is owed considerable deference with respect to the penalty imposed, we have concluded that the Tribunal's reasons do not indicate that it gave sufficient consideration to lesser penalties in this case, such as licence suspension or imposition of conditions...Consistent with the decision of this court in Strazzeri v. Superintendent of Financial Institutions, [2015] ONSC 255, the Tribunal should have been more explicit in its reasons with respect to consideration of a lesser penalty than the most serious disposition of licence revocation. This is especially so given that Mr. Joshi had no previous discipline record and was not found to have contravened any applicable laws.¹¹

98. If a lesser penalty will adequately protect the public, then a lesser penalty should be considered.

99. Counsel for Mr. Ahuja made submissions as to alternate penalties which they believed would allow Mr. Ahuja to be granted a licence while ensuring protection of the public. Counsel for FSRA declined to make oral submissions on this point after being invited to do so. FSRA took the position that if FSRA believed an alternative was appropriate they would have sought the alternative.

100. Counsel for Mr. Ahuja submitted that an alternative to refusal to issue a licence would be the issuance of a licence with conditions attached, and/or an administrative monetary penalty. In the further alternative, Counsel submitted that a temporary suspension of Mr. Ahuja's licences would be an appropriate response to the misconduct identified here. When questioned about

¹¹ 2016 ONSC 4477, paras. 13

the amount of monetary penalty considered appropriate, Counsel for Mr. Ahuja suggested \$10,000.

101. In their written submissions FSRA fairly acknowledged the principle expressed in *Joshi* that the Tribunal must consider lesser penalties, other than the most serious, but took the position that a lesser penalty is not appropriate here because the Applicant cannot be relied on to be trustworthy. FSRA refers to *Faridi v. Ontario (CEO of FSRA)*¹² in support of its position that false statements on an application for a licence must result in the conclusion that the person making the false statements is unsuitable to be licensed.

102. The facts in *Faridi*, however, are somewhat different. The Tribunal in *Faridi* considered, not only the fact that two applications for mortgage licenses filed by Mr. Faridi (in September 2022 and March 2023) were false, but also the nature of the specific incidents that Faridi failed to disclose in answer to the suitability questions on the applications. Those incidents revealed dishonest conduct over a considerable period, including breaching the Ontario Motor Vehicle Industry Council (“OMVIC”) Code of Ethics by failing to make proper written disclosures regarding the vehicle history of ten vehicles sold through his company, Faridi Motors, in the period 2018-2019. For this transgression Mr. Faridi was fined \$3,600 and required to retake the Automotive Certification Course. While writing the exam for the course he had been ordered to take Mr. Faridi received prohibited assistance during the exam. As a result, OMVIC revoked the registrations of both Mr. Faridi and his car dealership, Faridi Motors. The Tribunal considered both Mr. Faridi’s pattern of past misconduct and his careless, cavalier, indifferent, or negligent behaviour in falsely answering FSRA’s suitability questions and concluded that there were reasonable grounds to believe that he will not deal or trade in mortgages in accordance with the law and with integrity and honesty.¹³

103. A significant distinguishing factor between the Faridi case and this case is my conclusion that the alleged past misconduct at the TD Bank is not a factor in considering the key issue...is the Applicant suitable to be licensed as an insurance agent.

104. In my view, the misstatements on the licence applications, although serious, do not provide the compelling and credible evidence necessary to establish a reasonable belief that Mr. Ahuja is not suitable to be licenced having regard to all the facts established here.

105. Given the factors considered above, a lesser disposition than refusal to provide a licence will, in my view, be sufficient to ensure that the public is protected. Section 407.1(4) permits the Tribunal to “...by order direct the CEO to carry out the proposal with or without changes, or substitute its opinion for that of the Chief Executive Officer, and the Tribunal may impose such conditions as it considers appropriate in the circumstances.”¹⁴

106. There is little doubt that Mr. Ahuja has learned a valuable lesson from the process itself. This, coupled with a period of supervision and conditions on his insurance agent licence, including a monetary penalty will, in my view, serve to protect the public interest. A further period of suspension, in addition to the *de facto* suspension already served, is not required.

¹² 2024 ONFST 18

¹³ *Ibid.*, *Faridi*, para. 63

¹⁴ *Op. Cit.*, Insurance Act, s. 407.4(4)

107. A conditional licence requires both the licensee, and the third parties involved in the supervision to take active steps to make a conditional licence work. Having observed Mr. Ahuja and the representative from Co-operators while giving evidence I am satisfied that both are very much invested in a process that will secure an insurance licence for Mr. Ahuja while ensuring that he will carry on insurance business with honesty and integrity.

108. *It is HEREBY ORDERED THAT:*

- 1) The Respondent withdraw the Notice of Proposal dated November 4, 2024, and issue a Life Insurance and Accident and Sickness Licence and a General Agent Licence to Mr. Ahuja subject to the following conditions.
 - a. Mr. Ahuja will be subject to close supervision by his sponsoring firm, Co-Operators Life and Co-Operators General Insurance companies for a period of one year from the date his Life Insurance and Accident and Sickness Licence and General Agent Licence are issued. During this period Mr. Ahuja will not supervise other insurance agents.
 - b. The sponsoring firm will appoint a supervisor, satisfactory to FSRA, who will prepare and submit to FSRA, on a quarterly basis, confirmation that all insurance activities carried out by Mr. Ahuja, including client interactions and policies applied for and issued through the involvement of Mr. Ahuja, have been supervised and that there have been no complaints or, in the alternative if there have been complaints, the nature of the complaints received.
 - c. Mr. Ahuja will pay a monetary penalty in the amount of \$10,000 within sixty days of the date of this decision. A licence will not be issued until the monetary penalty is paid.

109. If the Parties are unable to agree on an appropriate supervisor, they may contact the Registrar who will arrange a date to hear submissions on the matter.

Dated at Toronto, this 11th day of April, 2025.



Paul F. Farley