

ALBERTA INSURANCE COUNCIL
(the "AIC")

In the Matter of the *Insurance Act*, R.S.A. 2000, Chapter I-3
(the "Act")

And

In the Matter of Park Avenue Financial Services Corporation
(the "Dealership")

As represented by
Designated Individual
Michael Barcham
The "DI"

AGREED STATEMENT OF FACTS AND JOINT SUBMISSION

WHEREAS the Alberta Insurance Council (the "AIC") undertook a review of the Dealership's sales records, based on information that indicated that the Dealership had been compensating a restricted certificate holder for sales made while it was unlicensed;

AND WHEREAS the review established that the Dealership compensated an unlicensed restricted certificate holder for 15 credit related insurance policies during the period from June 3, 2011 to and including November 5, 2014;

AND WHEREAS the Dealership is aware of the opportunity to retain and instruct legal counsel with respect to the matters referred to in this Agreed Statement of Facts and Joint Submission;

NOW THEREFORE the DI and the Investigator agree as follows:

- 1.0 For the purposes of this Agreed Statement of Facts and Joint Submission, the Dealership through its DI makes the following admissions and submissions:
 - 1.1.1 The Dealership is the holder of a Certificate of Authority (93-2672845) to transact business as a sales finance company and has been licensed since July 19, 2004;
 - 1.1.2 On July 21, 2015, the investigator wrote to the Dealership and inquired why they had compensated Hebert Motor Sports, an unlicensed restricted certificate holder ("the RCH") and also asked to provide details into the compensation paid by the Dealership to the RCH and the number of policies sold by the RCH in the period they were unlicensed.
 - 1.1.3 The Dealership responded on July 28, 2015 and advised that they were not aware that the RCH had let their license lapse. When the problem was brought to their attention they worked on getting the RCH relicensed. The DI confirmed that the RCH sold 15 credit related policies when it was unlicensed and was compensated \$2,297.08 in total for the same.
 - 1.1.4 On August 26, 2015 the RCH emailed the AIC and confirmed that they had sold 15 credit related policies and received \$2,297.08 in compensation from the Dealership when they were unlicensed.
- 2.0 As a result of the facts set out in this Agreed Statement of Facts and Joint Submission, the Dealership contravened section 499 (1) of the Act, and consequently violated section 480 (1) (b) of the Act for compensating an unlicensed restricted agent.
- 3.0 The DI and the Investigator jointly recommend to the Life Insurance Council ("Council") that the Council approve this Agreed Statement of Facts and Joint Submission and resolve, dispose of and finally conclude this matter involving the Dealership by approving a decision in the form annexed hereto as Schedule 1, which provides for a civil penalty in the amount of \$300.00, in accordance with the penalties prescribed in section 13 (1) (b) of the Certificate Expiry, Penalties and Fees Regulation, A.R. 125/2001.

- Name of Witness (please print)

SCHEDULE 1**ALBERTA INSURANCE COUNCIL
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In the Matter of Park Avenue Financial Services Corporation
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**DECISION OF
The Life Insurance Council
(the "Council")**

WHEREAS the Investigator of the Alberta Insurance Council ("AIC") made a request for information in relation to an investigation being conducted by the AIC into the Dealership to compensate an unlicensed restricted certificate holder;

AND WHEREAS as a result of information received, the Investigator and the Dealership entered into an Agreed Statement of Facts and Joint Submission, a copy of which is attached hereto;

AND WHEREAS pursuant to the Agreed Statement of Facts and Joint Submission, the DI has agreed that the Dealership will pay a civil penalty in the amount of THREE HUNDRED DOLLARS (\$300.00) and has acknowledged that the Council has the discretion to accept or reject that recommendation;

AND WHEREAS the Council considers that it would be in the public interest to approve the said Agreed Statement of Facts and Joint Submission;

IT IS ORDERED that:

1. The Agreed Statement of Facts and Joint Submission be accepted and is hereby approved; and
2. The Dealership pay a fine of THREE HUNDRED DOLLARS (\$300.00), in accordance with the terms and conditions set out in the Agreed Statement of Facts and Joint Submission.

The attached Agreed Statement of Facts and Joint Submission was reviewed by the Council and a motion to approve this decision was made and carried at a properly conducted meeting of the Life Insurance Council. The motion was duly recorded in the minutes of that meeting.

Date : December 7, 2015

Original Signed By
Kenneth Doll, Chair
Life Insurance Council