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**IN THE MATTER OF** the *Insurance Act*, R.S.O. 1990, c. 1.8, as amended (the "Act"), in particular sections 392.4, 392.5, 407.1, 441.2 and 441.3;

**AND IN THE MATTER OF** Susan Keshen

## **MINUTES OF SETTLEMENT AND UNDERTAKING**

### **PART I-INTRODUCTION**

1. Susan Keshen ("Keshen") was licensed as a life insurance and accident and sickness insurance agent under the Act (licence #94012372) until her licence expired on August 12, 2022.
2. On April 27, 2022, the Director of Litigation and Enforcement, Elissa Sinha, (the "Director"), by delegated authority from the Chief Executive Officer ("CEO") of the Financial Services Regulatory Authority of Ontario ("FSRA"), issued a Notice of Proposal in respect of Keshen and Michael Stoddart ("Stoddart") (the "NOP").
3. Keshen disputed the allegations and, on or about May 11, 2022, Keshen requested a hearing before the Financial Services Tribunal (the "Tribunal") in respect of the NOP.
4. Keshen applied to renew her licence on August 8, 2022. Her renewal application was refused.
5. Keshen and the Director, by delegated authority from the CEO, (collectively the "Parties") wish to resolve this matter on consent and without a hearing before the Tribunal.

### **PART II - AGREED FACTS**

#### **A. Manulife and Financial Horizons**

6. Keshen was contracted with Financial Horizons Incorporated ("Financial Horizons"), a Managing General Agent.
7. Keshen entered into a Producer's Agreement- General Agent Broker ("GAB") with The Manufacturers Life Insurance Company ("Manulife") effective June 4, 2004. That agreement set out the terms for the promotion, sale, and servicing of Manulife

products. The GAB specified in subsection 5.05 that Keshen would maintain all licences necessary to solicit Manulife products.

## **B. Keshen and Stoddart**

8. Stoddart was formerly a licensed life insurance and accident and sickness insurance agent (licence # 94024693) under the Act. Stoddart was licensed from April 1, 1994, until August 11, 2008, except for a three-month period in 1998 where he was unlicensed. Stoddart's licence was revoked effective August 11, 2008, for failing to provide requested information during an investigation by the regulator.
9. Keshen and Stoddart were in a personal relationship.
10. After Stoddart's insurance agent licence was revoked in 2008, his book of business was transferred to Keshen by Financial Horizons. Keshen did not pay Stoddart for his book of business. Neither Keshen nor Stoddart advised clients that their insurance agent had changed from Stoddart to Keshen.
11. Keshen later hired Stoddart as an office manager after his licence was revoked. Documents provided to FSRA show that Stoddart continued to be involved with client transactions including fund transfers, applications for insurance, financial and insurance advice, and automatic withdrawal adjustments. Keshen:
  - i. Allowed Stoddart unsupervised access to client information available on insurers' portals using her credentials;
  - ii. Gave Stoddart permission to add her advisor code, sign on her behalf, and send forms to Manulife by fax;
  - iii. Did not review all forms that were signed by Stoddart in her name; and
  - iv. Did not, in all instances, follow-up with clients to confirm trade instructions when Stoddart met with clients alone to discuss investment products and transfers between funds.
12. Stoddart had access to hard copy client files stored in an unlocked filing cabinet and access to Keshen's online account with Financial Horizons called Wealth Serve.
13. Keshen gave Stoddart her password to Wealth Serve. This enabled Stoddart to access client information on Wealth Serve including financial holdings, investment portfolios, transaction reports, and report generation tools.

## **C. Keshen and SWM**

14. Keshen created Standard Wealth Management ("SWM"). an unincorporated

entity.

15. Although Keshen was at all times registered and SWM was registered as a business name, it was not and has never been, licensed under the Act.
16. SWM branding was used by Keshen on a website soliciting insurance clients. its name was on the door of the company office, and SWM branding was also used on printed and electronic communications with clients.
17. The SWM website ([www.standardwealthmanagement.ca](http://www.standardwealthmanagement.ca)) advertised various insurance products and services. The website included a photo of Keshen and an email address that included her name.
18. Both Keshen and Stoddart had email addresses that included the SWM name.

**D. LARF's and termination of relationships with Manulife and Financial Horizons**

19. On April 29, 2020, FSRA received two related Life Agent Reporting Forms ("LARFs") from Manulife. One was regarding Keshen, and one was regarding Stoddart.
20. Manulife terminated its relationship with Keshen by letter dated March 16, 2020, effective March 3, 2020. Financial Horizons terminated its relationship with Keshen effective March 16, 2020.

**PART III - NON-COMPLIANCE WITH THE ACT**

21. By engaging in the conduct described above in Part II, Keshen admits and acknowledges that she breached the Act as follows:
  - (i) carrying on business as an insurance agent in a name other than that on her licence, contrary to section 401 of the Act; and
  - (ii) making false and misleading statements in soliciting or registering insurance contrary to subsection 17(c) of O. Reg. 347/04.
22. As a result of this non-compliance, Keshen agrees to the imposition of administrative penalties as set out in an order to be issued by the Director.
23. Keshen also consents to an order revoking her licence pursuant to section 392.5(1) of the Act and further consents to the refusal of her renewal application and agrees to never reapply to be licenced under the Act.

**PART IV - TERMS OF SETTLEMENT**

24. Keshen admits the facts contained in Part II of these Minutes.

25. Keshen acknowledges and agrees that she has been given the opportunity to seek independent legal advice and has done so and are entering into these Minutes of Settlement and Undertaking ("Minutes") voluntarily, understanding the consequences of doing so.
26. Keshen acknowledges that these Minutes are an undertaking within the meaning of the Act, and that failure to comply may result in immediate regulatory action including, but not limited to, the issuance of a Notice of Proposal to revoke the licence, a Notice of Proposal to impose an administrative penalty, or a prosecution under the *Provincial Offences Act*.
- (a) **Issuance of Order**
27. Keshen acknowledges that, upon execution of these Minutes by both Parties, the order attached as Schedule "A" to these Minutes (the "Order") will be issued.
- (b) **Process for Execution of Settlement**
28. Keshen acknowledges that these Minutes are not binding on the Director until signed by the Director.
29. These Minutes may be executed in counterparts and may be executed and delivered by facsimile or e-mail, and all such counterparts and facsimiles or e-mails, as applicable, shall together constitute one and the same agreement.
30. Upon receiving an executed copy of these Minutes from FSRA, Keshen will withdraw her Request for Hearing (Form 1) in respect of the NOP before the Tribunal by completing a Withdrawal/Discontinuance (Form 5) and filing it with the Registrar at the Tribunal within two (2) business days.
31. Upon confirmation from the Tribunal that the Request for Hearing has been withdrawn and the hearing has been cancelled, the Parties agree that the Director will issue an Order in the form attached as Schedule "A" to these Minutes.
32. The Parties accept and understand that these Minutes and any rights within the Minutes shall enure to the Parties and to any successors or assigns of the Parties.
- (c) **Disclosure of Minutes and Order**
33. The Parties will keep the terms of these Minutes and the Order confidential until the Order is issued, except that:
- (i) The Director shall be permitted to disclose the Minutes and the Order within FSRA; and
  - (ii) The Parties shall be permitted to inform the Financial Services Tribunal.

34. If either of the Parties do not sign these Minutes or the Director does not issue the Order:
- (i) These Minutes, the Order, and all related discussions and negotiations will be without prejudice to FSRA and Keshen; and
  - (ii) FSRA and Keshen will each be entitled to all available proceedings, remedies, and challenges, including proceeding to a hearing of the allegations contained in the NOP. Any proceedings, remedies and challenges will not be affected by these Minutes, the Order, or any related discussions or negotiations.
35. Upon issuance of the Order:
- (i) Keshen agrees that these Minutes and the Order form part of their administrative record for the purposes of any future licensing decision or as an aggravating factor in respect of a future administrative penalty or prosecution against them or any affiliated entities;
  - (ii) Keshen acknowledges that these Minutes and the Order are public and will be published by FSRA on its public website (or that of its successor) along with a press release that summarizes these Minutes and the Order; and
  - (iii) The Parties agree not to make representations to any member of the public or media or in a public forum that are inconsistent with these Minutes or the Order.
- (d) **Further Proceedings**
36. Whether or not the Order is issued, Keshen will not use, in any proceeding, these Minutes or the negotiation or process of approval of these Minutes as the basis for any attack on FSRA's jurisdiction, alleged bias, alleged unfairness, or any other remedies or challenges that may be available.
37. Upon issuance of the Order:
- (i) Keshen waives all rights to a hearing before the Tribunal regarding the NOP;
  - (ii) Keshen waives all rights to a judicial review or appeal of the Order;
  - (iii) The Director agrees that FSRA will not take any further proceedings against Keshen arising solely from the facts contained in Part II of these Minutes, unless facts not disclosed by Keshen come to the attention of FSRA that are materially different from those contained in Part II of these Minutes or Keshen fails to comply with any term in the Order; and

- (iv) Keshen agrees that should she fail to comply with any term in these Minutes or the Order, FSRA is entitled to bring any proceedings available to it.

Dated at Richmond Hill, Ontario, May 23, 2023

*Susan Keshen*

Susan Keshen

Dated at Richmond Hill, Ontario, May 23, 2023

*Iryna Sergeeva*

Name of Witness

**DATED** at Toronto, Ontario, May 26, 2023

*Elissa Sinha*

Elissa Sinha

Director, Litigation and Enforcement  
Financial Services Regulatory Authority of Ontario

By delegated authority from the Chief Executive Officer

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## APPENDIX A

**IN THE MATTER OF** the *Insurance Act*, R.S.O. 1990, c. 1.8, as amended (the "Act"), in particular sections 392.4, 392.5, 407.1, 441.2 and 441.3;

**ANO IN THE MATTER OF** Susan Keshen

### **ORDER TO REVOKE LICENCE, REFUSE TO RENEW LICENCE AND IMPOSE ADMINISTRATIVE PENALTIES**

Susan Keshen ("Keshen") was licensed as a life insurance and accident and sickness insurance agent (licence #94012372). Keshen was licenced until her licence expired on August 12, 2022.

On April 27, 2022, by delegated authority from the Chief Executive Officer of the Financial Services Regulatory Authority of Ontario (the "Chief Executive Officer"), the Director, Litigation and Enforcement (the "Director") issued a Notice of Proposal to revoke licence and impose administrative penalties on Keshen for contraventions of sections 401, of the Act and subsection 17(c) of Ontario Regulation 347/04.

A Request for Hearing (Form 1), dated May 11, 2022, was delivered to the Financial Services Tribunal (the "Tribunal") in accordance with section 441.3(5) of the Act respecting the Notice of Proposal.

On August 8, 2022, Keshen applied to renew her licence. The renewal application was refused. On February 23, 2023, the Tribunal ordered that the refusal of her renewal application be combined with the existing request for a hearing on the NOP.

On [date], Keshen withdrew the Request for Hearing, and, on [date], the Tribunal closed its file in respect of this matter. This order is made pursuant to a settlement entered into by Keshen and the Director.

## ORDER

The insurance agent licence (licence# 94012372) issued to Susan Keshen is hereby revoked and her renewal is hereby refused, for the reasons set out in the Minutes of Settlement.

Administrative penalties in the total amount of \$18,000 are hereby imposed on Susan Keshen, for the reasons set out in the Minutes of Settlement.

**TAKE NOTICE THAT** the Financial Services Regulatory Authority of Ontario will deliver an invoice to Keshen with information as to where and how to pay the administrative penalties. Susan Keshen must pay the administrative penalties no later than thirty (30) days after the order is issued unless otherwise agreed with the Financial Services Authority of Ontario.

If Keshen fails to pay the administrative penalties in accordance with the terms of this Order, the Chief Executive Officer may file the Order with the Superior Court of Justice and the Order may be enforced as if it were an order of the court. An administrative penalty that is not paid in accordance with the terms of the order imposing the penalty is a debt due to the Crown and is enforceable as such.

**DATED** at Toronto, Ontario,

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Elissa Sinha  
Director, Litigation and Enforcement

By delegated authority from the Chief Executive Officer

Si vous desirez recevoir cet avis en français, veuillez nous envoyer votre demande par courriel immédiatement à : [contactcentre@fsrao.ca](mailto:contactcentre@fsrao.ca).