
IN THE MATTER OF the *Insurance Act*, R.S.O. 1990, c. I.8, as amended (the “Act”), in particular sections 392.5, 407.1, 441.2, and 441.3;

AND IN THE MATTER OF Sudeep Sharma.

MINUTES OF SETTLEMENT AND UNDERTAKING

PART I – INTRODUCTION

1. Sudeep Sharma (“Sharma”) was licensed as a Life, Accident and Sickness insurance agent (licence #10116137) under the Act. Sharma’s licence was renewed in April of 2021 and expired on April 5, 2023.
2. On September 7, 2022, the Director, Litigation and Enforcement (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 Sharma (the “NOP”).
3. Sharma disputed the allegations and, on or about September 19, 2022, requested a hearing before the Financial Services Tribunal (the “Tribunal”) in respect of the NOP.
4. Sharma 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. HG

5. “HG” had previously placed multiple RBC insurance policies through Sharma.
6. On August 28, 2014, Sharma submitted a new Guaranteed Acceptance Life Insurance policy application on behalf of HG with coverage of \$5,000 (the “HG Policy”). HG did not consent to, review, or sign the HG Policy.
7. Sharma used HG’s financial information without HG’s consent to authorize premium payments in respect of the HG Policy.
8. RBC subsequently cancelled the HG Policy and returned premiums of approximately \$2,772.75 to HG.

9. Sharma received compensation of approximately \$1,030.80 for the HG Policy.

B. BD

10. "BD" had an existing Universal Life Insurance policy with RBC (the "Existing BD Policy").
11. Sharma suggested to BD that she take out a Guaranteed Acceptance Life Insurance policy. After BD advised Sharma that she could not afford to pay additional premiums for the Guaranteed Acceptance Life Insurance policy, Sharma told BD she would only need to pay approximately \$16 more per month.
12. On March 12, 2019, Sharma submitted a Guaranteed Acceptance Life Insurance policy application on behalf of BD with coverage of \$40,000 (the "New BD Policy").
13. Without BD's informed consent, Sharma had placed the Existing BD Policy on a premium holiday to pay for a majority of the premiums for the New BD Policy.
14. Sharma used BD's financial information without BD's consent to authorize premium payments in respect of the New BD Policy.
15. RBC subsequently cancelled the New BD Policy and returned premiums of approximately \$2,021.16 to BD.
16. Sharma received compensation of approximately \$1,097 for the sale of the New BD Policy.

C. NJ

17. "NJ" had an existing Universal Life Insurance policy with RBC (the "Existing NJ Policy").
18. Sharma offered NJ a Disability Insurance policy. Sharma told NJ that it was a promotion, and it would be placed at no extra cost to NJ.
19. On May 6, 2020, Sharma submitted a Disability Insurance application on behalf of NJ with a monthly income replacement limit of \$4,900 per month (the "New NJ Policy").
20. Sharma placed the existing NJ Policy on a premium holiday without NJ's informed consent to pay for the premiums for the New NJ Policy.
21. RBC subsequently cancelled the New NJ Policy and returned premiums of approximately \$597.50 to NJ.
22. Sharma received compensation of approximately \$1,864.20 for the New NJ Policy.

PART III – NON-COMPLIANCE WITH THE ACT

23. By engaging in the conduct described above in Part II, Sharma admits and acknowledges that he breached the Act as follows:
- (i) Making false and misleading statements or representations in the solicitation or registration of insurance, contrary to subsection 17(c) of Ontario Regulation 347/04; and
 - (ii) Knowingly procuring, by fraudulent representations, payment, or the obligation for payment of any premium on an insurance policy, contrary to section 395 of the Act.

PART IV – TERMS OF SETTLEMENT

24. Sharma admits the facts contained in Part II of these Minutes.
25. Sharma acknowledges that, upon execution of these Minutes by both Parties, the order attached as Schedule “A” to these Minutes (the “Order”) will be issued, pursuant to which two administrative penalties in the total amount of \$20,000 shall be imposed on Sharma:
- (i) \$10,000 for contravening subsection 17(c) of Ontario Regulation 347/04; and
 - (ii) \$10,000 for contravening section 395 of the Act.
26. Sharma agrees and undertakes that he shall not apply for the renewal of his insurance agent licence prior to October 6, 2024, and shall apply only after complying with the Order (the “Suspension Period”). Sharma agrees that FSRA may refuse any licence application that he may submit prior to October 6, 2024, or if such application is made prior to complying with the Order and making full payment of the administrative penalties provided for therein. Sharma further acknowledges that FSRA may refuse any license application if grounds to do so arise following the execution of these Minutes.
27. Sharma and FSRA agree that upon completion of the Suspension Period, Sharma will be required to report completed continuing education credits (“CE”) for the period ending April 5 2023. No CE will be accrued during the Suspension Period.
28. CE credits completed in April and May of 2023 will be accepted by FSRA for the licence period ending April 5, 2023.
29. Sharma acknowledges and agrees that he has been given the opportunity to seek independent legal advice and he has done so (or has waived the right to do so) and are entering into these Minutes of Settlement and Undertaking (“Minutes”) voluntarily, understanding the consequences of doing so.
30. Sharma 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. Process for Execution of Settlement

31. Sharma acknowledges that these Minutes are not binding on the Director until signed by the Director.
32. 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.
33. Upon receiving an executed copy of these Minutes from FSRA, Sharma will withdraw their 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 business days.
34. 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.
35. 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.

B. Disclosure of Minutes and Order

36. 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 Tribunal.
37. 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 Sharma; and
 - (ii) FSRA and Sharma 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.
38. Upon issuance of the Order:
 - (i) Sharma 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) Sharma 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.

C. Further Proceedings

39. Whether or not the Order is issued, Sharma 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.

40. Upon issuance of the Order:

- (i) Sharma waives all rights to a hearing before the Tribunal regarding the NOP;
- (ii) Sharma 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 Sharma arising solely from the facts contained in Part II of these Minutes, unless facts not disclosed by Sharma come to the attention of FSRA that are materially different from those contained in Part II of these Minutes or Sharma fails to comply with any term in the Order; and
- (iv) Sharma agrees that should he fail to comply with any term in these Minutes or the Order, FSRA is entitled to bring any proceedings available to it.

DATED 4/25/2023 in the City of Kleinburg, Ontario.

Sudeep Sharma

DATED April 28, 2023 in the City of Toronto, Ontario.

Elissa Sinha
Director, Litigation and Enforcement
Financial Services Regulatory Authority of Ontario

By delegated authority from the Chief Executive Officer

APPENDIX A

IN THE MATTER OF the *Insurance Act*, R.S.O. 1990, c. I.8, as amended (the “Act”), in particular sections 441.2 and 441.3;

AND IN THE MATTER OF Sudeep Sharma (“Sharma”)

ORDER IMPOSING ADMINISTRATIVE PENALTIES

Sharma was licensed as a Life, Accident and Sickness insurance agent (licence #10116137) under the Act. Sharma’s licence was renewed in April of 2021 and expired on April 5, 2023.

On September 7, 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 Sharma’s licence and to impose three administrative penalties on Sharma.

A Request for Hearing (Form 1) dated September 19, 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.

Sharma has agreed and undertaken that he shall not apply for the renewal of his insurance agent licence prior to October 6, 2024, and shall apply only after complying with this Order. Sharma has agreed that FSRA may refuse any licence application that he may submit prior to October 6, 2024, and if such application is made prior to complying with this Order.

On [date], Sharma 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 Sharma and the Director.

ORDER

Administrative penalties in the total amount of \$20,000 are hereby imposed on Sudeep Sharma, 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 Sudeep Sharma with information as to where and how to pay the administrative penalties. Sudeep Sharma must pay the administrative penalties no later than thirty (30) days after the order is issued, or as otherwise agreed.

If Sudeep Sharma 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,

Elissa Sinha
Director, Litigation and Enforcement

By delegated authority from the Chief Executive Officer

Si vous désirez recevoir cet avis en français, veuillez nous envoyer votre demande par courriel immédiatement à : contactcentre@fsrao.ca.