

Fava Insurance Brokers Limited
Registration Number: A705
Oakville, Ontario

HEARING DATE: September 13, 2018

MISCONDUCT: Ontario Regulation 991, ss. 16(4), (4)(i), 4(ii), 5, 6(a)(b)(c)

PARTICULARS OF THE COMPLAINT:

Fava Insurance Brokers Limited (hereinafter referred to as “Fava Insurance”) is a registered insurance brokerage carrying on business in the Town of Oakville, Ontario.

Fava Insurance has operated in a net trust deficit position as determined by RIBO staff in their investigation. It also failed to maintain, always, in its trust account moneys and trust investments that are sufficient, together with trust funds receivable, to meet all its trust obligations.

DISCIPLINE COMMITTEE’S DISPOSITION:

The Discipline Committee approved a consent agreement between Fava Insurance and RIBO, and ordered:

- (a) That the brokerage file monthly position reports in Form 1 showing full compliance of Sections 16(4), Subsection 1, Subsections 4.1 and 4.2 and Subsections (5) and (6)(a)(b) and (c) of Ontario Regulation 991 for a period of one year, commencing with the month ending April 30, 2018, and thereafter as at May 31, 2018, June 30, 2018, July 31, 2018, August 31, 2018, September 30, 2018, October 31, 2018, November 30, 2018, December 31, 2018, January 31, 2019, February 28, 2019 and March 31, 2019. These reports are to be accompanied with the following verifying financial attachments; internally generated balance sheet, income statement, summary page of the aged premium receivable listing, copies of the original bank statements of the trust and general accounts and the corresponding reconciliation statements and any other working paper that verifies a balance that differs with a system generated balance. Should these financial attachments not be applicable to this brokerage, then RIBO and the broker will agree on what these verifying financial attachments will be. These reports are to be in RIBO’s offices 30 days after the respective month end.
- (b) That the brokerage shall subsequently file quarterly position reports in Form 1 showing full compliance of Sections 16(4), Subsection 1, Subsections 4.1 and 4.2 and Subsections (5) and (6)(a)(b) and (c) of Ontario Regulation 991 commencing with the month ending May 31, 2019, and thereafter as at August 31, 2019, November 30, 2019 and February 29, 2020. These

reports are to be accompanied with the following verifying financial attachments; internally generated balance sheet, income statement, summary page of the aged premium receivable listing, copies of the original bank statements of the trust and general accounts and the corresponding reconciliation statements and any other working paper that verifies a balance that differs with a system generated balance. Should these financial attachments not be applicable to this brokerage, then RIBO and the broker will agree on what these verifying financial attachments will be. These reports are to be in RIBO's offices 30 days after the respective month end.

- (c) That Fava Insurance pay cost recovery by cheque in the amount of \$1,000.00 made payable to the Registered Insurance Brokers of Ontario. This payment to be received in RIBO's office by no later than March 31, 2018.