

April 7, 2025



**Manitoba
Financial Services
Agency**

IN THE MATTER OF:

THE MORTGAGE BROKERS ACT

-and-

IN THE MATTER OF:

**SEVA CAPITAL CANADA INC.,
SIDDHARTHA DEWAN
SHREERAJ PATEL**

**REASONS FOR DECISION
OF THE HEARING PANEL
THE MANITOBA SECURITIES COMMISSION**

Hearing Date: March 31, 2025

Panel:

Panel Chair:

L.A. Vincent

Vice-Chair:

D.J. Metcalfe

Member:

C.D. Burns

Appearances:

K. Sharma

)

**Counsel for Staff of The Manitoba
Securities Commission**

D. MacDonald

)

**Counsel for SEVA Capital Inc.,
Siddhartha Dewan and Shreeraj Patel**

1. This matter came before a hearing panel (the "Panel") as an appeal from a decision (the "Decision") of the Registrar, Real Estate Division, dated February 14, 2025, pursuant to section 4(4) of *The Mortgage Brokers Act C.C.S.M. c. M120* (the "Act").
2. The appellants, Seva Capital Canada Inc. (Seva), Siddhartha Dewan (Dewan) and Shreeraj Patel (Patel) (collectively Patel and Dewan are referred to herein as the "Appellants") had initially submitted written applications to the Manitoba Securities Commission (the "MSC" or the "Commission") to register Seva as a Restricted Mortgage Broker and register Dewan and Patel as authorized officials under the Act.
3. Dewan and Patel have not written the mortgage broker's course and have not been employed as mortgage salespersons registered under the Act, for a period of 24 months in the 36 months prior to applying to be registered as mortgage authorized officials.
4. Following receipt of notice that the applications had been refused, the Appellants requested an opportunity to be heard by the Registrar as is provided for in the Act. That hearing was held on December 20, 2024.
5. On February 14, 2025 the Registrar issued the Decision, refusing the applications of the Appellants.
6. Dewan and Patel are seeking the following relief:
 - a. To be permitted to register, and complete, the mortgage brokers course provided by the MSC's educational provider. In this respect, the Panel was advised that the educational provider had refused to register Dewan and Patel without the prior approval of the Registrar.
 - b. An exemption, pursuant to section 55 of the Act, to be registered as authorized officials under the Act, without having worked as mortgage salespersons for a 24 month period in the preceding 36 month period.
7. On March 31, 2025, at the conclusion of the hearing, this Panel determined that it would grant the exemption sought by the parties, subject to Dewan and Patel successfully completing the mortgage brokers course. The Panel further determined that the Registrar should forthwith advise the Commission's education provider to register Dewan and Patel in the mortgage brokers course and, upon the successful completion of the course to register Seva as a Restricted Mortgage Broker, and to register Dewan and Patel as authorized officials of Seva under the Act. The Panel noted that no additional conditions on the registrations would be required.
8. The Panel advised it would provide written reasons to follow. These are our reasons.
9. The relevant provisions of the Act are:

2(1) No person shall act as a mortgage broker, authorized official or mortgage salesperson, for or in expectation of remuneration, unless the person

(a) is registered as a mortgage broker, authorized official or mortgage salesperson, as the case may be; or

(b) is exempted from the requirement to be registered, under section 3, the regulations or an order of the commission made under section 55.

3(1) Subsection 2(1) does not apply to

(a) any corporation carrying on the business of an insurer under and in accordance with The Insurance Act;

(b) banks;

...

4(1) The registrar shall grant registration, renewal of registration, reinstatement of registration or amendment to registration to an applicant where in the opinion of the registrar the applicant is suitable for registration and the proposed registration, renewal, reinstatement or amendment to registration is not objectionable.

8(2) A corporation which is registered, or applying for registration, as a mortgage broker shall appoint at least one of its officials to be recorded in the register and named in the certificate of registration as its authorized official, and any person so recorded and named may engage in mortgage transactions on its behalf without being separately registered under this Act; and all other persons who engage on its behalf in any of the activities described in the definition of "salesperson" set out in section 1 shall be registered as mortgage salespersons.

14(1) The commission may, at any time, require a registrant or an applicant for registration or renewal of registration, as a mortgage broker or mortgage salesperson or an authorized official of a registrant or applicant, to take a course prescribed by the commission and pass a written examination set by the commission or the registrar or by any other person selected by the commission for the purpose, in such subjects as the commission may decide.

14(2) The examination that a mortgage broker or authorized official may be required to take and pass may differ from the examination that a mortgage salesperson may be required to take and pass.

10. The Commission has published, on its website, a list of requirements relative to registration as an authorized official under the Act. These requirements include:
 - a. Be an individual of good character;
 - b. Be at least 18 years old;
 - c. Have at least 24 months experience as a registered mortgage salesperson within the 36 month period before applying for registration;
 - d. Complete the mortgage brokers course; and
 - e. Provide a detailed resume and have mortgage administration experience at a senior level.
11. The Registrar highlighted the importance of an individual having experience working in a regulated environment and learning how to provide mortgage services in a way that complies with the requirements of the Act. He also noted that the experience working as a mortgage salesperson allows for the individual to establish a record of compliance and good comportment under the Act.
12. The legislation provides that any provision of the Act or the regulations can be exempted by order of the Commission where the Commission is of the opinion that it is not prejudicial to the public interest. Section 55 of the Act reads:

Exemption by commission

55. where the commission is of the opinion that it is not prejudicial to the public interest, it may, by order, subject to such terms and conditions as it may impose, exempt any person or corporation from all or any provisions of this Act or the regulations.

13. Dewan and Patel argue that the Commission should grant an exemption from the experience requirements and allow them to be registered as authorized officials under the Act, for a number of reasons, including that:
 - a. their work experience is at least equivalent to the requirements of 24 months' work experience as a registered mortgage salesperson under the Act;
 - b. their educational backgrounds and professional designations are relevant considerations into determining their suitability for registration;
 - c. their volunteer histories and board and governance activities should be taken into account in determining suitability for registration; and
 - d. the regulatory regime that they have operated under in their professional employment, namely the Office of the Superintendent of Financial Institutions (OSFI) is equivalent to the regulatory regime of the MSC for mortgage brokers.
14. The Appellants argued that we should look to section 3.3 of the Companion Policy to National Instrument 31-103CP *Registration Requirements, Exemptions, and Ongoing Registration Obligations* ("31-103CP"). 31-103CP sets out that, in determining whether prior employment is relevant in assessing registration in the securities industry, consideration can be given to related fields of experience, including legal, accounting or consulting services, investment banking and financial institutions, and work in a foreign jurisdiction. The Panel found this to be a persuasive argument. The Panel is of the opinion that if such considerations are relevant for registration in the securities industry they are equally relevant for registration under the Act for the mortgage brokerage industry.
15. The Panel reviewed the evidence provided and notes specifically:
 - a. Dewan held progressively senior positions at a Schedule 1 bank for approximately seven years, including as a Banking Advisor, a Commercial Account Manager and an Associate Director, Real Estate and Construction Services. This work involved Dewan advising real estate developers and investors on various debt structures involving land, development and construction. The evidence before us was that Dewan had facilitated over \$600 million in debt financing for a broad range of real estate projects. This was work that, but for the exemption set out in section 3.1(b) of the Act, would have required registration under the Act.
 - b. Dewan's educational background includes a university business degree with a concentration in Accounting (Honours).
 - c. Dewan is also a Chartered Financial Analyst charter holder. This is a significant designation to achieve, requiring a very high level of knowledge and the practical application of that knowledge.
 - d. Dewan has served on the board of the Learning Disabilities Association of Manitoba, the CFA Society, Winnipeg board and a committee of the Manitoba Theater Center board. He also mentors MBA and Master of Finance students at the University of Manitoba.
 - e. Patel has held progressively senior positions at Schedule 1 banks for nineteen years, including as a Commercial Account Manager, an Associate Director, and a

Vice-President with the Commercial Financial Group. This work involved Patel completing risk analysis, credit assessments and credit agreements as well as structuring complex lending facilities. This was work that, but for the exemption set out in section 3.1(b) of the Act, would have required registration under the Act.

- f. Patel's educational background includes a Bachelor of Commerce, a Masters in Business Administration, and completion of the Canadian Securities course and the Investment Funds in Canada course.
 - g. Patel has served as Chairman of the Board of CentrePort Canada, on the board of The Winnipeg Chamber of Commerce, on the Board of Governors for the University of Manitoba and as a member of the board of the United Way of Winnipeg.
- 16. Additionally, Dewan and Patel each provided letters of reference that the Panel found to be helpful. They were written by individuals in or adjacent to the mortgage brokerage industry, who have directly worked with the parties on matters relevant to this exemptive relief application for a considerable period of time. The letters provided the Panel with information on the regulatory knowledge and practices of Dewan and Patel and provided the writers' personal knowledge of Dewan's and Patel's adherence to high ethical standards.
- 17. The Panel has determined that the work experience and educational backgrounds of Dewan and Patel evidence direct and relevant knowledge and experience considerably in excess of a two year period working as a mortgage salesperson under the Act.
- 18. The Panel is of the opinion that the regulatory standards set by OSFI for the banking industry, including in areas that pertain to real estate lending, meet, or exceed, the standards set by the Commission for mortgage brokers. OSFI is a rigorous regulator and its standards and practices as a regulator are world renowned. Part of its remit includes the provision of supervision, guidance and oversight in all areas relevant to mortgage brokerage. The regulatory requirements Dewan and Patel had to meet under OSFI are more than sufficient to support their position that they have the necessary experience operating in a regulatory environment to be registered as authorized officials under the Act.
- 19. The Panel also determined that their work, including the community volunteer service and board experience of each of Dewan and Patel, substantiates that they will comport themselves appropriately and have met all required suitability requirements for registration as authorized officials under the Act.
- 20. The Panel is of the opinion that it would not be prejudicial to the public interest to exempt Patel and Dewan from the experiential requirement of working as a mortgage salesperson and orders that;
 - a. Dewan and Patel be permitted to register, and complete the mortgage broker's course;
 - b. upon the successful completion of the mortgage broker's course, Seva be registered as a Restricted Mortgage Broker under the Act and Dewan and Patel be registered as authorized officials of Seva under the Act; and

- c. no additional requirements be placed on the registration of Seva, Dewan or Patel.

"L.A. Vincent"

L.A. Vincent, Hearing Chair

"D.J. Metcalfe"

D.J. Metcalfe, Vice-Chair

"C.D. Burns"

C.D. Burns, Member