



**IN THE MATTER OF A DISCIPLINE HEARING
PURSUANT TO
THE LIFE INSURANCE COUNCIL OF SASKATCHEWAN
BYLAW 7 SECTION 5 AND BYLAW 10**

AND

DONALD RALPH SLY

NOTICE OF HEARING

TAKE NOTICE that the Complaints and Investigation Committee (the Committee) of the Life Insurance Council of Saskatchewan (the LIC) requires Donald Ralph Sly (Sly) to appear before a Discipline Committee of the LIC at Suite 310, 2631 28th Avenue, Regina, Saskatchewan from 9:00 a.m. **March 20th and March 21st 2012** and from day to day thereafter until the hearing is concluded.

TO CONSIDER WHETHER:

Sly violated the following sections of the Life Insurance Councils (LIC) Bylaw 8:

Section 8(1) For the purpose of the Act, regulations and bylaws, misconduct is a question of fact but includes any matter, conduct or thing, whether or not disgraceful or dishonorable, that is:

- (a) contrary to the best interest of the consumer or licensees or Insurance companies.
- (b) may harm the standing of licensees in the insurance industry.

Section 8(2) Without restricting the generality of subsection (1), a licensee may be guilty of misconduct if the licensee:

- (b) demonstrates an unsuitability or an untrustworthiness to act as a licensee;
- (c) in the course of promoting, selling or servicing insurance business, provides in any advertising or other communication information that is false or misleading.
- (h) failed to place the interests of the consumer before his own interests.

Facts:

1. Sly was licensed as a Life including Accident and Sickness licensee on January 1, 1986 when the LIC was initially established. Prior to January 1, 1986 Sly was licensed through the Superintendent of Insurance.
2. Sly holds the following designations:
 - a. Certified Financial Planner - CFP;
 - b. Canadian Life underwriter - CLU; and
 - c. Chartered Financial Consultant - CH.F.C.
3. Sly does business under the name Risk Management Plus;
4. Risk Management Plus is not an incorporated business;
5. Risk Management Plus is not a licensed entity with the Life Insurance Council of Saskatchewan.
6. On April 7, 2011 a complaint was received from KJM (the Complainant).
7. Sly on May 20, 2011 requested that his Life including Accident and Sickness License be suspended.
8. Sly's Life including Accident and Sickness License currently remains suspended.
9. Sly has, while licensed been sponsored by Canada Life Assurance Company (Canada Life)
10. Sly at the time his licence was suspended held agent contracts with Standard Life Assurance Company of Canada (Standard Life) and Transamerica Life Canada.

BY REASON OF THE FOLLOWING ALLEGATIONS:

1. Sly violated Bylaw 8(1)(a) when he:
 - a. provided information to the Complainant that was false or misleading;
 - b. did not invest \$139,650.00 per the Complainants instructions or at all;
 - c. misled Council staff with respect to the investment of the Complainants monies.
2. Sly violated Bylaw 8(1)(b) when he:
 - a. did not respond to a demand for information from the LIC;
 - b. sent false and/or misleading information to the Complainant; and
 - c. did not make the investments per the wishes of the Complainant.
3. Sly violated Bylaw 8(2)(b) when he:
 - a. did not invest the \$139,650.00 the Complainant allowed Sly access to for investment purposes;

- b. misled the LIC compliance staff by advising staff that approximately \$30,000.00 of the investment monies remained in an investment account for the Complainant and that \$10,000.00 of the investment monies remained in an account for the Complainants grandchild;
 - c. misled the LIC compliance staff by advising staff that he used a third party to invest the Complainants money on his behalf; and
 - d. did not respond to a July 18, 2011 demand for information from the LIC.
4. Sly violated Bylaw 8(2)(c) when he:
- a. misrepresented where the Complainants investment monies were placed. The misrepresentation was made on October 31, 2006 when Sly sent an email to the Complainant advising the Complainant that his investment dollars have been invested in two types of investments:
 - i. one a segregated fund of about \$80,000.00; and
 - ii. the second investment of \$50,000.00 in an "in-house investment trust".
 - b. sent via email on November 14, 2007 a two page account statement from Risk Management Plus which misrepresented investments purportedly made:
 - i. The 1st page of the account statement indicates that the Complainant holds five Ideal Segregated Funds with a closing value at October 31, 2007 of \$82,354.85
 - ii. The 2nd page of the account statement indicates that Risk Management PLUS holds in trust for the Complainant a total current accrual of \$57,229.61 in what is termed "Profit Sharing MGA/Advisor Funds".
5. Sly violated Bylaw 2(h) when between November 20, 2006 and July 22, 2008 he used the Complainants investment dollars to pay:
- a. his outstanding HSBC Canada (HSBC) account debit balance of \$17,372.55;
 - b. \$17,000.00 to MBNA Canada as payment on this credit card;
 - c. \$17,000.00 to AMEX Bank of Canada as payment on this credit card; and
 - d. \$86,000.00 through 17 separate cheques to his wife.

AND TAKE FURTHER NOTICE THAT Sly may be represented by counsel at the Discipline Hearing and may make representations and lead evidence;

AND FURTHER TAKE NOTICE THAT upon failure of Sly to attend at the time and place as aforesaid, the Discipline Hearing may proceed in his absence and no further notice of the proceeding will be given to him.

Dated at Regina, Saskatchewan December 29, 2011



Kelly Aikens, Chair
Complaints and Investigations Committee