

Consensual Agreement and Undertaking

**The Complaints and Investigation Committee
of
The Life Insurance Council of Saskatchewan
Bylaw 7, Section 5, (3), (b)**

and

Henry Peter Block

The Complaints and Investigations Committee (the Committee) of the Life Insurance Council of Saskatchewan (Council) is authorized under Bylaw 7, Section 5, subsection 3, subparagraph (b), to resolve complaints by negotiating a consensual resolution, agreement and/or undertaking.

Henry Peter Block (Block) acknowledges and agrees that:

1. He violated Council Bylaw 8, Section 1, subsection (a) when he did contrary to the best interest of the consumer, licensees or insurance companies violate the following sections of Bylaw 8, Section 2:
2. He violated Bylaw 8(2)(b) when he demonstrated an unsuitability or an untrustworthiness to act as a licensee by failing to:
 - follow his clients investment profile when recommending investments;
 - process on June 11, 2010 transfer/redemption requests for clients in the suspended Great-West Life Real Estate Fund (GWLRA);
 - notify his clients that their transfer/redemption requests in GWLRA were not processed as required;
 - respond to questions or complaints from clients;
 - to truthfully represent the witnessing of client signatures when he signed legal document's attesting that he witnessed the signing of those documents when in fact he was not present when the documents were signed; and
 - provide clients with all relevant information that would allow those consumers to make an informed investment decision.
3. He violated Bylaw 8(2)(h) when he failed to place the interests of the consumer before his own interests when he:
 - failed to admit to his clientele that he did not carry out their lawful instructions with respect to transfers/redemptions from the GWLRA; and
 - ensured that some if not all of his personal redemptions from the suspended GWLRA funds were processed.

4. He violated Bylaw 8(2)(j) when he failed to ensure that a consumer was fully informed of all relevant information that would allow the consumer to make an *informed decision when he*:
 - Did not provide the Information Folder's or copies of Fund Fact Sheets to client's investing in segregated funds; and
 - Sent blank segregated fund transaction forms to clients for their signature;
5. He violated Bylaw 8(2)(k) when he failed to carry out a consumer's lawful instructions by not ensuring on June 11, 2010 that the transfer/redemption requests for clients in the GWLRA were processed.
6. He violated Bylaw 8(2)(q) when he failed to follow sound business practices when he did not:
 - follow his clients investment profile when recommending investments;
 - place the interests of the consumer before his own interests;
 - provide clients with information to allow them to make informed decisions with respect to investments in segregated funds; and
 - carry out a consumer's lawful instructions.
7. He violated Bylaw 8(2)(r) when he failed to exercise reasonable and prudent oversight and review when acting in a supervisory capacity when he failed to ensure the duties he delegated to staff were completed.

Block further acknowledges and agrees that:

8. His rights to appear before a Discipline Committee of Council have been explained to him and he fully understands his rights and obligations under Council's Bylaw 10.
9. He waives his rights to appear before a Discipline Committee of Council and undertakes not to exercise any appeal rights he may have under Council Bylaw 10, Section 3 or *The Saskatchewan Insurance Act (the Act)*, Section 466.1 (7.1), as it relates to matters set out in this Consensual Agreement and Undertaking (Agreement).
10. He has been advised by the Complaints and Investigations Committee (the Committee) that it is in his interests to obtain independent legal advice before entering into this Agreement.
11. This Agreement does not preclude the Committee from pursuing any other investigation against him for activities not identified in this Agreement that may be in violation of Council Bylaws, the Act or its Regulations.

Block having waived his rights undertakes to:

12. Pay a fine in the amount of \$15,000.00 for contravention of the following sections and subsection of Council Bylaw 8:

- Bylaw 8(1)(a)
- Bylaw (8)(2)(b);
- Bylaw (8)(2)(f);
- Bylaw (8)(2)(j);
- Bylaw (8)(2)(k);
- Bylaw (8)(2)(q); and
- Bylaw (8)(2)(r);

13. Allow Canada Life Assurance Company of Canada (Canada Life) to place him under Supervision for a term of 12 months and to allow the results of any audits completed by Canada Life to be provided to Council.

14. Reimburse Council for the Committee's investigation costs in the total amount of \$8,800.00

The Committee's Agreement:

15. The Committee agrees to accept as full and final resolution to the acknowledged violations of the Council Bylaws as set out in this Agreement the following:

- a. payment to Council a fine in the total amount of \$15,000.00; and
- b. payment to Council for the Committee's investigation costs in the total amount of \$8,800.00.

Dated at Saskatoon in the Province of Saskatchewan, this 21 day of November, 2011.

Originally signed by:

Henry Peter Block

Dated at Regina, in the Province of Saskatchewan, this 22 day of November, 2011.

Originally signed by:

**Kelly Aikens, Chair
Complaints and Investigation Committee
Life Insurance Council of Saskatchewan**