

Financial Services Tribunal

2008-2009 Annual Report

April 2009





April 15, 2009

Honourable Colin Hansen
Minister of Finance
Ministry of Finance
Room 153, Parliament Buildings
Victoria, BC V8V 1X4

Dear Minister Hansen:

I am pleased to submit to you the Annual Report of the Financial Services Tribunal ("FST") for the fiscal year beginning April 1, 2008 and ending March 31, 2009. This report is submitted pursuant to section 242.1 (5) (d) of the *Financial Institutions Act*.

Sincerely,

A handwritten signature in black ink, appearing to read "W. G. Hopkins". The signature is fluid and cursive.

William G. Hopkins
Chair, Financial Services Tribunal

The Mandate of the FST

The Financial Services Tribunal ("FST") hears appeals from institutions and individuals who want to contest enforcement decisions made by the:

- ✦ Insurance Council of British Columbia;
- ✦ Real Estate Council of British Columbia;
- ✦ Superintendent of Real Estate;
- ✦ Superintendent of Pensions;
- ✦ Registrar of Mortgage Brokers; and
- ✦ Superintendent of Financial Institutions.

The FST only has jurisdiction to hear appeals under the following British Columbia statutes:

Financial Institutions Act ***Credit Union Incorporation Act***
Mortgage Brokers Act ***Pension Benefits Standards Act***
Real Estate Services Act ***Real Estate Development Marketing Act***

Appeals to the FST are governed by the statutes that provide for an appeal to the FST, and by the *Administrative Tribunals Act*.

FST Appeals

Fiscal Year 2008 - 2009

Three appeals were filed with the FST between April 1, 2008 and March 31, 2009. Of these 3 cases:

- ✦ 1 involved an appeal of a decision of the Superintendent of Real Estate;
- ✦ 1 involved an appeal of a decision of the Real Estate Council; and
- ✦ 1 involved an appeal of a decision of the Insurance Council of BC.

FST Decisions

With respect to decisions in these 3 cases:

- ✦ 1 appeal was withdrawn voluntarily by the appellant;
- ✦ 1 appeal affirmed the original decision of the Real Estate Council; and
- ✦ 1 was in progress as of March 31, 2009. A final decision in this case is pending.

Appendix 1 contains a summary of the 2008-2009 appeal cases.

FST Operations

The offices of the tribunal are located within the business premises of FICOM and admin support provided by FICOM employees.

In fiscal year 08/09, the FST received \$2,550.00 in recoveries. Expenses for the FST exceeded the FST's recoveries by \$91,352.00

FST Statement of Financial Performance

(for the fiscal year ended March 31, 2009)

<i>Operating Result</i>	<i>2007/2008*</i> - \$	<i>2008/2009</i> - \$
Recoveries	12,700	2,550
Expenses	(118,558)	(93,902)
Net	(105,858)	(91,352)

<i>Direct Expenses</i>	<i>2007/2008*</i> \$	<i>2008/2009</i> \$
Salaries and Benefits	29,838	45,026
Professional Services	32,726	6,266
Board Fees & Expenses	18,720	6,949
Other	320	273
Total direct Expenses	81,604	58,514
Allocated Overhead from FICOM	36,954	35,388
Total FST Expenses	118,558	93,902

* These tables reflect actual as opposed to reported costs.

Appendix 1

A Summary Profile of FST Appeal Cases for FY 2008-2009

Year Received/ Appeal Number	Appellant(s)	Respondent(s)	Act	Issues under Consideration	FST Disposition of those Issues
08-043	558872	Registrar of Mortgage Brokers	Real Estate Development Marketing Act	Appeal of a decision of the Superintendent of Real Estate dated May 27, 2008 regarding a previous order issued by the Superintendent on January 19, 2008.	Withdrawn: Appeal voluntarily withdrawn by the appellant on August 5, 2008.
08-44	Peter Dalip Alexander	Real Estate Council of British Columbia	Real Estate Services Act	Appeal of a decision of the Discipline Committee of the Real Estate Council of BC dated July 18, 2008.	Affirmed: Original decision of the Real Estate Council affirmed. Council expenses ordered paid within 60 days of the decision or as a condition of licensing in any capacity - \$3,864.00. Additional costs of \$1,000. The Tribunal Member ordered that additional costs be paid by way of installments of \$100 each calendar quarter until paid in full – commencing with the first payment effective January 1, 2008.
08-45	Jocelyn Fenelon	Insurance Council of BC	Financial Institutions Act	Appeal of a decision of the Insurance Council dated September 26, 2008. The decision involved licensing cancellation; licensing prohibition period; costs of investigation; fine; and costs of hearing.	In progress