

IN THE MATTER OF  
*THE MORTGAGE BROKERS ACT*, R.S.S. 1978, Chapter M-21

AND

JOSEPH SIGANSKI

**CONSENT ORDER**

**WHEREAS** pursuant to section 3 of *The Mortgage Brokers Act* (the "Act"), no person shall carry on business as a mortgage broker unless he or she holds a valid and subsisting licence issued under the Act;

**AND WHEREAS** pursuant to subsection 4(1) of the Act, every application for a licence shall be made to the Superintendent of Insurance ("Superintendent") upon a form provided by the Superintendent;

**AND WHEREAS** if the Superintendent is for any reason of the opinion that an applicant for a licence should not be granted a licence, the Superintendent is granted the power pursuant to section 6 of the Act to refuse to grant the licence;

**AND WHEREAS** the Superintendent is granted the power pursuant to clause 7(1)(a) of Act to grant a licence subject to such terms, conditions and restrictions as the Superintendent considers necessary;

**AND WHEREAS** Joseph Siganski made application for a licence under the Act to carry on business as a mortgage broker;

**AND WHEREAS** Joseph Siganski acknowledges and admits to the following:

Background:

1. Joseph Siganski ("Siganski") and Dario Antic ("Antic") formed the corporation Priority Mortgage Plus Financial Services Inc ("PMP") in or about May 2006. Siganski and Antic were directors of PMP at all material times after the incorporation of the company. PMP carried on business in the

area of consumer financing as a loan broker and mortgage broker. In conjunction with these activities, PMP, through Antic, sold creditor's group insurance certificates ("certificates") to interested borrowers, including certificates issued by Industrial-Alliance Pacific Insurance and Financial Services Inc. ("IAP").

2. On March 23, 2009, the Superintendent issued a Compliance Order against Antic and PMP requiring that Antic and PMP cease any and all loan brokering activity (the "Compliance Order") after an investigation determined that PMP, through the actions of Antic, had failed to disclose to IAP a number of IAP certificates PMP had sold to consumers (the "PMP Investigation").
3. In May 2009, an investigation into Antic and PMP's suitability for licensing as mortgage brokers was commenced. As a result of that investigation, PMP and Antic surrendered their mortgage broker licences.
4. Siganski was advised by letter dated June 1, 2009, that the Superintendent had concerns about his suitability to be licensed as a mortgage broker due to facts discovered during the PMP Investigation. Following the June 1 letter to Siganski, the Superintendent conducted an investigation to determine Siganski's suitability for licensing as a mortgage broker (the "Siganski Investigation").
5. On June 10, 2009, Siganski submitted a licence application under the Act to the Superintendent for the 2009-2010 licensing year.

Misleading Information:

6. In the course of the PMP Investigation and the Siganski Investigation, Siganski failed to exercise the care and diligence required in responding to inquiries and as a result, misleading information concerning Siganski's role in PMP's loan brokering and creditor group insurance activities was provided on numerous occasions to the Superintendent and the Superintendent's staff.
7. In providing misleading information to the Superintendent and the Superintendent's staff in the course of a regulatory investigation due to a lack of care and diligence, Siganski conducted himself in a manner:
  - (a) that fell below the standard of reliability and professionalism required to be suitable for licensing as a mortgage broker; and
  - (b) that would it make it objectionable for Siganski to be issued a licence as a mortgage broker, unless there were reasonable assurances in place to prevent the conduct from happening again.

Failure to Take Appropriate Steps to Protect PMP Clients From Known Risks:

8. As early as May of 2007, Siganski had arrived at the view that Antic could not be trusted with PMP funds.
9. At all material times, Siganski was aware that Antic was receiving and handling significant sums of client money from the sale of certificates.
10. On several occasions during 2007 and 2008 it came to the attention of Siganski that IAP was experiencing difficulties with Antic with respect to the timely reporting of certificates sold and the timely accounting of certificate premiums owed to IAP.
11. Despite Siganski's concerns about Antic and knowledge of the serious potential risks to third party funds being managed by Antic, Siganski failed to take adequate steps in his role as director and president of PMP to investigate to determine whether or not third party funds received by Antic on behalf of PMP were being handled properly, and failed to take adequate steps to implement policies and procedures to ensure funds received in the future would be dealt with properly.
12. In failing to take appropriate steps to protect funds held by PMP on behalf of third parties, the potential loss of which posed significant risk to PMP clients, Siganski conducted himself in a manner:
  - (a) that fell below the standard of reliability and professionalism required to be suitable for licensing as a mortgage broker; and
  - (b) that would it make it objectionable for Siganski to be issued a licence as a mortgage broker, unless there were reasonable assurances in place to prevent the conduct from happening again.

Use of Unauthorized Lenders:

13. In several files reviewed by the Superintendent during the PMP Investigation, Siganski arranged mortgage loans for borrowers with lenders not authorized to lend in Saskatchewan. In doing so, Siganski relied on representations of the lenders and failed to take independent steps to determine whether the lenders were authorized to lend in Saskatchewan. As a result, the borrowers who obtained those loans were unwittingly exposed to risks associated with unregulated lending.
14. In arranging mortgage loans for borrowers with lenders not authorized to lend in Saskatchewan, Siganski conducted himself in a manner:
  - (a) that fell below the standard of reliability and professionalism required to be suitable for licensing as a mortgage broker; and

- (b) that would it make it objectionable for Siganski to be issued a licence as a mortgage broker, unless there were reasonable assurances in place to prevent the conduct from happening again.

Failure to Keep Proper Books and Records:

- 15. Siganski's mortgage broker files reviewed by the Superintendent during the PMP Investigation were disorganized and several failed to contain some of the information required by section 24 of the Act, in particular, the amount of Siganski's commission or other remuneration in respect of the transaction and the name of the party paying it to him.
- 16. In failing to keep proper books and records as required by section 24 of the Act, Siganski conducted himself in a manner:
  - (a) that fell below the standard of reliability and professionalism required to be suitable for licensing as a mortgage broker; and
  - (b) that would it make it objectionable for Siganski to be issued a licence as a mortgage broker, unless there were reasonable assurances in place to prevent the conduct from happening again.

**AND WHEREAS** Joseph Siganski, as evidenced by his signature below, consented to this Order and agreed to waive his right to appeal this Order to the Court of Queen's Bench pursuant to section 13 of the Act;

**NOW THEREFORE THE SUPERINTENDENT HEREBY ORDERS:**

- 1. Pursuant to section 6 of the Act, Joseph Siganski will not be granted a licence under the Act prior to January 1, 2010;
- 2. Joseph Siganski may submit an application to be licensed under the Act on or after January 1, 2010 and a licence will be granted to Joseph Siganski provided that:
  - (a) the licence application received from Joseph Siganski is completed appropriately and otherwise satisfactory to the Superintendent;
  - (b) the Superintendent does not become aware of any new information that brings into question whether:
    - (i) Joseph Siganski is suitable to be licensed under the Act; or
    - (ii) granting a licence to Joseph Siganski would be for any reason objectionable;
  - (c) the licence will be subject to the terms, conditions and restrictions described in clause 3 below; and

- (d) Joseph Siganski has provided to the Superintendent the name of a person to act as supervising mortgage broker for the purposes of 3(d)(i) below and the Superintendent has approved that person to act in that capacity;

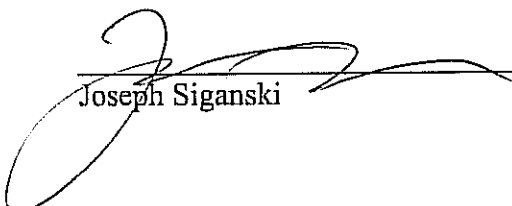
3. Pursuant to clause 7(1)(a) of the Act, a licence granted to Joseph Siganski in accordance with clause 2 above will be made subject to the following terms, conditions and restrictions:

- (a) Joseph Siganski shall not receive funds from borrowers other than fees and charges already earned by Joseph Siganski at the time of receipt in accordance with the service agreement with the borrower;
- (b) Joseph Siganski shall:
  - (i) develop a checklist, in a form satisfactory to the Superintendent, that confirms in respect of each borrower's file that all appropriate records are present; and
  - (ii) ensure that every borrower's file contains an appropriately completed checklist;
- (c) Joseph Siganski shall restrict his mortgage broker activities to that of assisting borrowers to obtain mortgage loans from the following financial institutions:
  - (i) A mortgage broker licensed pursuant to the Act and authorized by the Superintendent to lend money;
  - (ii) A bank or authorized foreign bank as defined in the *Bank Act* (Canada);
  - (iii) A corporation licensed pursuant to *The Trust and Loan Corporations Act, 1997* as a financing corporation, loan corporation or trust corporation;
  - (iv) A credit union incorporated, continued or registered pursuant to *The Credit Union Act, 1998*;
  - (v) An insurer licensed pursuant to *The Saskatchewan Insurance Act*;
- (d) Provided he is granted and continues to hold a licence under the Act or any successor Act, Joseph Siganski shall:
  - (i) cause his closed client files to be reviewed on a monthly basis for the next ensuing 24 months by a licensed mortgage broker (the "supervising mortgage broker"), who shall be approved in advance by the Superintendent;
  - (ii) cause the supervising mortgage broker to file with the Superintendent a written report on or before the 15<sup>th</sup> day of each month stating whether in the previous calendar month Joseph Siganski:
    - A. complied with the conditions set out in clauses 3(a) to (c); and
    - B. carried out all mortgage broker transactions appropriately and in a manner reflecting the best interests of the borrower; and

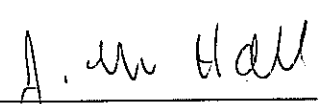
(iii) file a written report with the Superintendent on or before the 15<sup>th</sup> day of each month:

- A. signed by Joseph Siganski;
- B. stating whether compliance was maintained with the conditions set out in clauses 3(a) to (c) during the previous calendar month;
- C. stating whether, during the previous calendar month, all mortgage broker transactions were carried out appropriately and in a manner reflecting the best interests of the borrower; and
- D. setting out the particulars of any instances where compliance was not maintained during the previous calendar month.

Dated at Regina this ~~12<sup>th</sup>~~ day of February, 2010.

  
Joseph Siganski

Dated at Regina this 12 day of February, 2010.

  
J. M. Hall,

Saskatchewan Superintendent of Insurance