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**REGARDING the *Insurance Act*, R.S.O. 1990,  
Chapter I.8, as amended, in particular section  
441**

**AND REGARDING a Proposed Permanent  
Cease and Desist Order against Robert Crosbie  
and 1460246 Ontario Inc. carrying on business  
as R.E.C. Paralegal**

**AND REGARDING an Interim Cease and Desist  
against Robert Crosbie**

**NOTICE OF PROPOSED CEASE AND DESIST ORDER**  
and  
**INTERIM CEASE AND DESIST ORDER**

The Superintendent of Financial Services (“Superintendent”) is of the opinion that Robert Crosbie (“Crosbie”) and 1460246 Ontario Inc. carrying on business as R.E.C. Paralegal (“REC Paralegal”) have committed, and are committing, unfair or deceptive acts or practices in the business of acting as a statutory accident benefits representative. The particulars are set out in the Report of the Superintendent appended as Appendix “A” to this Notice.

**TAKE NOTICE THAT** pursuant to subsection 441(2) of the *Insurance Act* (the “Act”) the Superintendent intends to order Crosbie and REC Paralegal to:

- A. cease carrying on business as statutory accident benefit representatives;
- B. cease providing any service to anyone related in any way to a claim for statutory accident benefits, whether or not such services are charged a fee or not;
- C. cease advertising or holding out to the public in any way, that services of any kind relating to claims for statutory accident benefits are offered or provided, whether or not such services are charged a fee or not; and,

- D. provide to the Superintendent a list of the names, addresses and telephone numbers of all persons who had, and have, claims for statutory accident benefits who were clients of Crosbie or REC Paralegal.

**NOTE**

**WITHIN 15 DAYS** after receiving this Notice, you may request in writing that the Financial Services Tribunal hold a hearing on whether or not a permanent cease and desist order should be issued.

**IF NO HEARING IS REQUESTED** within 15 days, the Superintendent may make a permanent order in accordance with this notice, which shall take effect on the date set out in the order.

A request for a hearing should be directed, in writing, to:

Financial Services Tribunal  
5160 Yonge Street  
Toronto, Ontario  
M2N 6L9

Attention: Rhonda Booth, Registrar

Fax: (416) 226-7750

**INTERIM CEASE AND DESIST ORDER**

**Background**

On May 19, 2005, the Superintendent of Financial Services (“Superintendent”) issued a Notice of Proposed Cease and Desist Order and an Interim Cease and Desist Order against Crosbie and REC Paralegal. The Interim Cease and Desist Order was based upon a report of the Superintendent primarily detailing Crosbie’s failure to provide information to the Superintendent

Both Crosbie and REC Paralegal have requested a hearing before the Financial Services Tribunal. No hearing date has been set.

Since the issuance of the Interim Cease and Desist Order, the investigation has continued and facts that are of concern to the Superintendent have been discovered. The Superintendent is satisfied that:

1. Crosbie is not complying with the interim cease and desist order in that he has not forwarded a copy of the interim cease and desist order to his clients who have claims for accident benefits and has not advised them that he cannot continue to represent him;
2. Crosbie is not complying with the interim cease and desist order in that he continues to act as a statutory accident benefit representative for his clients; and,
3. Some or all of Crosbie's clients who have claims for statutory accident benefits are now being represented by Olga Leyenson, who is also employed or associated with REC Paralegal.

Pursuant to section 441(4) of the Act, if the Superintendent is of the opinion that the interest of the public may be prejudiced or adversely affected by any delay in the issuance of a permanent order, the Superintendent, without prior notice, may make an interim order which shall take effect immediately and which shall become permanent as against each and every named person unless within 15 days such person requests a hearing before the Financial Services Tribunal.

The Superintendent is of the opinion that the interest of the public may be prejudiced or adversely affected by any delay in the issuance of a permanent order for the following reasons:

1. Despite being advised about allegations against Crosbie and despite repeated requests since March 18, 2005, for information about the allegations and a request to review his files, Crosbie, to date, has not provided information or documentation;
2. The obligation of statutory accident benefit representatives, set out in the *Code of Conduct for Statutory Accident Benefit Representatives*, to respond to a request for information from the Financial Services Commission of Ontario ("FSCO") fully and promptly is a critical requirement in the regime that allows individuals to be exempted from the prohibition set out in section 398 of the Act, and allows them to act as representatives. Crosbie's failure to comply with FSCO's demands strikes at the very heart of the regime to effectively ensure confidence in the automobile insurance system and allow FSCO to ensure compliance.
3. Crosbie engaged in, and continues to engage in, an unfair and deceptive act or practice by failing to comply with the Interim Cease and Desist Order dated May 19, 2005; and,
4. Crosbie has transferred some, or all, of his client files to Olga Leyenson and allowing Olga Leyenson to hold herself out as an agent, representative of REC Paralegal despite the terms of the interim cease and desist order.

## ORDER

Effective this date, pursuant to subsection 441(4) of the Act, the Superintendent orders that Robert Crosbie, 1460246 Ontario Inc. carrying on business as R.E.C. Paralegal, and any agents or representatives thereof:

- A. Immediately cease carrying on business as statutory accident benefit representatives;
- B. Immediately cease providing any service to anyone related in any way to a claim for statutory accident benefits, whether or not such services are charged a fee or not;
- C. Immediately cease advertising or holding out to the public in any way, that services of any kind relating to claims for statutory accident benefits are offered or provided, whether or not such services are charged a fee or not;
- D. Immediately cease sending, or allowing the use of, REC Paralegal letterhead, or the name REC Paralegal, in connection with any claim for statutory accident benefits regardless if the person has or has not filed a declaration with the Superintendent to be exempted from the prohibition set out in section 398 of the *Insurance Act*;
- E. Immediately provide to the Superintendent a list of the names, addresses and telephone numbers of all persons who had claims for statutory accident benefits who were clients of Crosbie or REC Paralegal as of May 19, 2005, to date.

It is further ordered that the Notice of Proposed Cease and Desist Order and the Interim Cease and Desist Order issued May 19, 2005, is supplemented by this Notice and Interim Order.

### NOTE

**TAKE NOTICE THAT** the above Interim Cease and Desist Order shall become permanent unless within 15 days a written request for a hearing before the Financial Services Tribunal is made.

**AND FURTHER TAKE NOTICE THAT** if a hearing is requested, the Superintendent may extend the interim cease and desist order until the hearing before the Financial Services Tribunal is concluded.

**AND FURTHER TAKE NOTICE THAT** section 447(2)(b) of the Act provides that any person who fails to comply with any order made under the Act is guilty of an offence and liable on a first conviction to a fine of not more than \$100,000 and on each subsequent conviction to a fine of not more than \$200,000.

**AND FURTHER TAKE NOTICE THAT** section 447(4) of the Act provides that every director, officer, and chief agent of a corporation who caused, authorised, permitted or participated in a corporation committing an offence, or who fails to take reasonable care to prevent a corporation from committing an offence, is also guilty of an offence and is liable on a first conviction to a fine of not more than \$100,000 and on each subsequent conviction to a fine of not more than \$200,000.

**ISSUED AT** the City of Toronto, June 22, 2005

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Bryan P. Davies  
Superintendent of Financial Services

TO: Robert Crosbie  
c/o R.E.C. Paralegal  
Unit 23  
1270 Finch Avenue West  
Toronto ON M9L 2R8

AND TO: 1460246 Ontario Inc.  
carrying on business  
as R.E.C. Paralegal