

FINANCIAL SERVICES TRIBUNAL

**Regarding the *Insurance Act*, R.S.O., 1990 c.I-8, as amended,
particularly ss. 438 - 441.**

**And regarding Executive Barter Exchange Inc.,
Katherine Anne Cooper and Jonathan Lapid**

CEASE AND DESIST ORDER

1. On May 4, 2000, the Superintendent of Financial Services ("Superintendent") issued an Interim Cease and Desist Order against Executive Barter Exchange Inc., Katherine Anne Cooper and Jonathan Lapid ("collectively referred to as Executive Barter"). That Interim Cease and Desist Order was extended by the Superintendent on June 13, 2000 after Executive Barter requested a hearing before the Financial Services Tribunal.
2. The parties agree that the Order herein should be made by the Financial Services Tribunal.

**THE FINANCIAL SERVICES TRIBUNAL HEREBY
ORDERS THAT**

Executive Barter will:

- A. Immediately cease and desist advertising, publishing or soliciting the sale, promotion or availability of insurance products of insurers not licensed to do business in Ontario, including but not limited to Tri-Continental Exchange Limited (also referred to variously as Tri-Continental, Tri-Continental Exchange and Tri-Continental Exchange Ltd.), Citadel General Surety Limited, Combined Services and any entity associated with Robert L. Brown (also known as Robert Brown and Bob Brown), Jack Shannon or John Madsen.
- B. Immediately place a notice on its website at <http://www.executivebarter.com> and

any other website that it may be operating in the course of its barter business in the form attached herein as Attachment "A" which shall remain continuously on those websites for 12 months from the date it is first placed. The notice in Attachment "A" shall also be sent to all of its members in Executive Barter's next newsletter.

- C. Immediately provide to the Superintendent or her staff all information related to the sale of any insurance product in the Province of Ontario, including but not limited to the names and addresses of all members who paid a transaction fee to Executive Barter for the purchase of insurance,
- D. Immediately provide to the Superintendent or her staff all information relating to any advertisement sent or otherwise provided to its members or anyone else relating to Tri-Continental Exchange Ltd. including but not limited to the date it was first placed or sent, who gave instructions to place or send out the advertisement, who wrote the advertisement, the total revenue received from Tri-Continental Exchange or Robert L. Brown for any insurance-related transaction, and what contact any employee, director or officer of Executive Barter has had with Robert L. Brown, John Madsen or Tri-Continental Exchange Ltd., or any other name by which any of them may be known.
- E. Immediately repay any insurance monies collected from any barter member or other member of the public.

DATED AT the City of Toronto, this 29th day of September, 2000

"Colin McNairn"

Colin McNairn - Chair

"Kathryn Bush"

Kathryn Bush -
Member

"Joseph Martin"
Joseph Martin - Member

TO: Executive Barter Exchange Inc.
c/o Jonathan Lapid
Suite 2225
4950 Yonge Street
Toronto, Ontario M2N 6K1

And To:

John Petrosniak
Legal Counsel for the Superintendent of Financial Services
Financial Services Commission of Ontario
17th Floor
5160 Yonge Street
Toronto ON M2N 6L9

Attachment "A"

WARNING - ILLEGAL INSURANCE

You may have received information from Executive Barter promoting Tri-Continental's 60/40 cash/barter blend "Direct Purchase Insurance Program." The Financial Services Commission of Ontario advises us that any insurance obtained through Tri-Continental or Robert L. Brown is not valid insurance in Ontario. Neither Robert L. Brown nor Tri-Continental Exchange are licensed to conduct any type of insurance business in Ontario and in fact have been ordered to stop engaging in any insurance business activity in Ontario. This includes any facilitation for their so-called Direct Purchase Insurance Program.

The Commission also advises us that this means that if you drive your car with purported coverage from an unlicensed insurer, you do not have valid insurance as is required by the *Compulsory Automobile Insurance Act*. If you are charged and convicted of driving without valid insurance, you are subject to a minimum fine of \$5,000.00 and could be fined as much as \$25,000.00 for a first offence. The fines double for subsequent offences.

Furthermore, if you are involved in a motor vehicle accident, or have difficulties in settling claims of any kind with an unlicensed insurer, the Financial Services Commission of Ontario cannot help you.

In order to properly protect yourself and your family, and comply with the law, please ensure that you are insured with a licensed Ontario insurer.

If you have any questions concerning this warning, please call the Financial Services Commission of Ontario's Licensing and Enforcement Division at (416) 250-9209 or toll free at 1-800-263-0541. You can also visit their website at www.fsco.gov.on.ca.