



THE MORTGAGE BROKERS ACT)

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Section 55 and subsection 5(1))

Order No. 2808

April 29, 2021

**THOMAS STANDING and
SIGMAR MORTGAGE SERVICES LTD.**

WHEREAS:

(A) Sigmar Mortgage Services Ltd. ("Sigmar") is registered as a Mortgage Broker under The Mortgage Brokers Act (the "MBA");

(B) Thomas Standing ("Standing") is registered as the Authorized Official of Sigmar under the MBA;

(C) In this order, Sigmar and Standing jointly are referred to as "the Respondents";

(D) On March 5, 2021, the Commission issued Order No: 2804 under the MBA suspending the registrations of the Respondents;

(E) Since issuing Order No. 2804, staff have had discussions with the Respondents about the possibility of Sigmar retaining another registrant under the MBA to administer the affairs of Sigmar on a limited basis ("the Custodian") while awaiting the outcome of the hearing of this matter on the merits, without prejudice to the rights of the Respondents to contest their respective suspensions;

(F) Staff and the Respondents are of the view that retaining a custodian would be in the interests of the clients of Sigmar while awaiting the outcome of the hearing of this matter on the merits;

(G) Staff and the Respondents agree that Sigmar's registration should be made subject to terms and conditions in the form attached as Schedule "A" to this order, and that any Custodian would be required to comply with the terms and conditions as may be imposed on the registration of Sigmar.

(H) Sigmar has entered into an agreement to have Sun Mortgage Corporation, a broker registered under the MBA (the "Custodian Agreement"), to act as Custodian over the affairs of Sigmar. Sun Mortgage Corporation has reviewed the proposed terms and conditions attached as Schedule "A" and agrees to comply with them in acting as Custodian over Sigmar.

(I) The Registrar under the MBA has no objection to Sun Mortgage Corporation acting as Custodian.

(J) Staff and the Respondents are of the view there would be no prejudice to the public if the Commission imposes the terms and conditions in the form attached as Schedule "A" to this order on the registration of Sigmar, and lifts the suspension on the registration of Sigmar for so long as Sun Mortgage Corporation continues to act as custodian over the affairs of Sigmar.

(K) Staff and the Respondents are of the view there would be no prejudice to the public for Sun Mortgage Corporation to act as Custodian over the affairs of Sigmar and to receive compensation from Sigmar for acting as Custodian, in accordance with the terms of the Custodian Agreement

(L) The Commission is of the opinion it is in the public interest to make this order.

IT IS ORDERED THAT:

1. Under subsection 5(1) of the MBA, the registration of Sigmar is subject to the terms and conditions as set out in Schedule "A" to this order.
2. Under subsection 5(1) of the MBA, the suspension of the registration of Sigmar pursuant to Commission Order 2804 is lifted, provided that the suspension of Sigmar's registration is reinstated on the Registrar receiving written notice from Sun Mortgage Corporation that it is no longer prepared to act as custodian.
3. Under section 55 of the MBA, Sigmar is exempt from the requirements of subsection 20(2) of the MBA with respect to Sun Mortgage Corporation acting as custodian for Sigmar.

BY ORDER OF THE COMMISSION



Director – Legal

SCHEDULE A

Terms and Conditions

The registration of Sigmar Mortgage Services Ltd. ("SIGMAR") under The Mortgage Brokers Act (Manitoba) is subject to the following conditions.

1. The activity of SIGMAR as a mortgage broker is restricted to the administration of current mortgages.
2. SIGMAR shall not originate nor administer any new mortgages without prior written approval of the Registrar.
3. SIGMAR shall not discharge any mortgages currently under administration without prior written approval of the Registrar.
4. SIGMAR shall retain, at its own expense, the services of an independent person as a custodian (the "Custodian") approved by and on terms satisfactory to the Registrar. SIGMAR will advise the Registrar of the specific retainer date which shall be referred to in these terms and conditions as the "Commencement Date."
5. Neither Thomas Harold Standing, or any other officer or director of SIGMAR will be involved in the operations of SIGMAR except to assist the Custodian in performing its duties and responsibilities.
6. For greater clarity, Thomas Harold Standing shall not accept for deposit or receive any trust money or otherwise deal with trust money in connection with a trade or transaction in mortgage.
7. Starting on the Commencement Date:
 - a. the Custodian shall do a complete review of the current mortgages being administered by SIGMAR to identify:
 - i. which mortgages are in the name of SIGMAR clients as mortgagee and being administered by SIGMAR ("Client Name Mortgages"),
 - ii. Which mortgages name SIGMAR as mortgagee as trustee for clients pursuant to a trust agreement ("Sigmar Trustee Mortgages"), and
 - iii. Instances where client monies were being held by SIGMAR but for which there is not any supporting mortgage or trust agreement concerning the funds ("Unsupported Holdings").

- iv. Any transactions that were in process but had not closed, including the origination or discharge of mortgages involving SIGMAR (“Pending Transactions”)
- b. The Custodian will review the Client Name Mortgages and the Sigmar Trustee Mortgages to confirm that the terms and conditions of the mortgages are valid and binding and that the business records of SIGMAR reflect the validity of the mortgage, the mortgagors and mortgagees (“Existing Validated Mortgage Accounts”)
- c. The Custodian will provide an initial report to the Registrar of its findings on the reviews made under 7a. and 7b.
- d. The Custodian will open three trust accounts with the Custodian as signatory to be used as follows:
 - i. First trust account (TA1) shall be used to process all incoming deposits and mortgage payments related to Existing Validated Mortgage accounts.
 - ii. Second trust account (TA2) shall be used to deposit any mortgage payments or other funds that will be identified with no existing/attached mortgage.
 - iii. Third trust account (TA3) shall be used to hold the broker’s mortgage administration and/or service fees related to Existing Validated Mortgage Accounts.
- e. All incoming mortgage payments shall be deposited into the new trust account TA1 and any funds identified with no existing/attached mortgage shall be transferred to the second trust account TA2. The broker’s administration and/or service fees related to Existing Validated Mortgage Accounts shall be transferred to TA3.
- f. All trust account withdrawals from TA1 shall be restricted to remittances due to clients of related to Existing Validated Mortgage Accounts, and transfers to TA2 and TA3. The said withdrawals shall be processed by issuing trust account cheques.
- g. No withdrawals shall be processed from TA2 without obtaining an approval from the Registrar.
- h. No remittances will be made to Thomas Harold Standing from TA1 or TA3 without prior approval from the Commission
- i. The Custodian shall immediately report to the Registrar in writing any pending transactions.

- j. The Custodian shall submit monthly reports to the Registrar providing details of all the trust accounts' transactions due by the 10th of each month, and must include the type of transaction, date of the transaction, the address of the mortgage property, and the names of the parties involved.
- k. The Custodian shall immediately report to the Registrar in writing any transactions that were not validated with an existing mortgage account.
- l. The Custodian shall coordinate with the Commission staff to determine and/or validate existing mortgage accounts.
- m. SIGMAR shall provide the Custodian a detailed list of any mortgage transactions that has no existing/attached mortgage, problematic mortgage accounts and accounts with outstanding issues/problems.



THE MORTGAGE BROKERS ACT)

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Section 55 and subsection 5(1))

Order No. 2809

April 29, 2021

Sun Mortgage Corporation

WHEREAS:

(A) Sigmar Mortgage Services Ltd. (“Sigmar”) is registered as a Mortgage Broker under The Mortgage Brokers Act (the “MBA”);

(B) Thomas Standing (“Standing”) is registered as the Authorized Official of Sigmar under the MBA;

(C) In this order, Sigmar and Standing jointly are referred to as “the Respondents”;

(D) On March 5, 2021, the Commission issued order number 2804 under the MBA suspending the registrations of the Respondents;

(E) Since issuing Order No. 2804, staff has had discussions with the Respondents about the possibility of Sigmar retaining another registrant under the MBA to administer the affairs of Sigmar on a limited basis (the “Custodian”) while awaiting the outcome of the hearing of this matter on the merits, without prejudice to the rights of the Respondents contesting their respective suspensions;

(F) Staff and the Respondents are of the view that retaining a Custodian would be in the interests of the clients of Sigmar while awaiting the outcome of the hearing of this matter on the merits;

(G) Sigmar has entered into an agreement to have Sun Mortgage Corporation, a broker registered under the MBA (the “Custodian Agreement”), to act as Custodian over the affairs of Sigmar. Sun Mortgage Corporation has reviewed the terms and conditions on the registration of Sigmar and agrees to comply with them in acting as Custodian over Sigmar;

(H) The Registrar under the MBA has no objection to Sun Mortgage Corporation acting as Custodian;

(I) Staff and the Respondents are of the view there would be no prejudice to the public for Sun Mortgage Corporation to act as Custodian over the

affairs of Sigmar and to receive compensation from Sigmar for acting as Custodian, in accordance with the terms of the Custodian Agreement;

(J) Under section 19(1) of the MBA an authorized official or mortgage broker can only carry on business or act as a mortgage broker; or act as a mortgage salesperson for the registered mortgage broker in whose certificate of registration the individual is named as an authorized official. For Sun Mortgage Corporation to act as Custodian, it would need to be exempted from subsection 19(1) of the MBA;

(K) The Commission is of the opinion it is in the public interest to make this order.

IT IS ORDERED THAT:

1. Under section 55 of the MBA, Sun Mortgage Corporation and its authorized officials are exempt from the requirements of subsection 19(1) of the MBA only with respect to Sun Mortgage Corporation acting as custodian for Sigmar.

BY ORDER OF THE COMMISSION



Director – Legal