

IN THE MATTER OF: THE SECURITIES ACT

-and-

IN THE MATTER OF: MURRAY EDWIN RATUSKI

STATEMENT OF ALLEGATIONS OF STAFF OF THE
MANITOBA SECURITIES COMMISSION

STAFF OF THE MANITOBA SECURITIES COMMISSION ALLEGE, INTER ALIA, THAT:

A. REGISTRATION

1. Murray Edwin Ratuski ("Ratuski") was first registered as a salesman under The Securities Act ("Act") on February 12, 1996.
2. Ratuski was registered with Manulife Securities International Ltd. ("Manulife Securities") from February 12, 1996 to December 5, 1997, following which he was registered with another broker-dealer commencing on December 17, 1997 and continuing through to present.
3. At all material times, Manulife Securities was registered under the Act as a Broker-Dealer (Mutual Funds) whose registered sales personnel were registered to trade in mutual funds qualified for distribution in Manitoba by way of a prospectus for which a current receipt had been issued by The Manitoba Securities Commission ("Commission").

B. DETAILS

1. Prior to being registered under the Act, Ratuski was licensed as a life insurance agent and VC had been a client of his for a number of years.
2. After Ratuski's registration under the Act, in the fall of 1996, VC also became a client of Ratuski's in his capacity as a mutual funds salesman.
3. At the time that VC became a mutual funds client of Ratuski's, she was 86 years of age and a widow. VC's investment objectives were stated as INCOME, her investment knowledge as NIL, and her risk tolerance as LOW.
4. Commencing in the fall of 1996, VC purchased mutual funds through Ratuski as her representative.
5. Prior to his registration under the Act, Ratuski had borrowed monies from VC as follows:

<u>Approximate Date of Loan</u>	<u>Principal Amount</u>
June 4, 1992	\$ 30,000.00
July 12, 1994	\$ 23,320.45

August 12, 1994	\$ 70,000.00
August 15, 1994	\$ 20,117.95
	<u>\$143,438.40</u>

("Loans").

6. The Loans remained outstanding at the time of Ratuski's registration under the Act.

7. Ratuski did not inform Manulife Securities of the Loans and the existing borrower/lender relationship between himself and his client VC.

8. VC passed away in the fall of 1998. The Loans remained outstanding at the time of her demise.

C. ALLEGATIONS

1. Staff of the Commission allege that:

(a) Ratuski failed to avoid personal financial dealings with his client VC, namely in connection with the Loans from VC;

(b) Ratuski failed to disclose the Loans to his broker Manulife;

(c) Ratuski failed to act in the best interests of his client VC;

and that due to these allegations, it is in the public interest that the Commission pursuant to section 8(1) reprimand Ratuski, impose terms and conditions on his registration, and/or suspend or cancel Ratuski's registration as a salesman under the Act and that an administrative penalty pursuant to section 148.1(1) of the Act be ordered against Ratuski.

2. Such further and other matters as counsel may advise and the Commission may permit.

DATED at Winnipeg, Manitoba this 16th day of October, 2002.

Director, Legal and Enforcement

TO: MURRAY EDWIN RATUSKI