

THE SECURITIES ACT ) Order No. 4160  
 )  
Subsections 8(1) and 148.1(1) ) June 5, 2003

**MURRAY EDWIN RATUSKI**

**WHEREAS:**

(A) On October 16, 2002, The Manitoba Securities Commission ("Commission") issued a Notice of Hearing ("Notice of Hearing") giving notice of its intention to hold a hearing to consider, *inter alia*, whether or not it was in the public interest to grant an order pursuant to subsection 8(1) of The Securities Act ("Act") and an order pursuant to subsection 148.1(1) of the Act with respect to Murray Edwin Ratuski ("Ratuski");

(B) Staff of the Commission and Ratuski entered into a Settlement Agreement (a copy of which is attached as Schedule "A") dated June 4, 2003 ("Settlement Agreement"), which proposed settlement of the proceedings initiated by the Notice of Hearing, subject to the approval of the Commission;

(C) Ratuski has consented to the issuance of this Order and has waived his right to a full hearing;

(D) On June 4, 2003 the Commission held a hearing ("Settlement Hearing") to consider whether or not to approve the Settlement Agreement;

(E) At the Settlement Hearing the Commission approved the Settlement Agreement and is of the opinion that it is in the public interest to make this order.

**IT IS ORDERED:**

1. **THAT** the Settlement Agreement, Schedule "A", be and the same is hereby approved.
2. **THAT** pursuant to subsection 8(1) of the Act, a written reprimand be placed on Ratuski's registration file with the Commission relating to the matters set out in the Settlement Agreement, with a copy of the Settlement Agreement to be attached as Schedule "A" to the reprimand.
3. **THAT** pursuant to subsection 148.1(1) of the Act, Ratuski pay an administrative penalty of \$6,000.00, to be paid in two instalments, the first of which shall be in the amount of \$2,500.00 made on or before June 30, 2003 and the second of which shall be in the amount of \$3,500.00 made on or before September 30, 2003.
4. **THAT** Ratuski's conduct and practices as a salesman registered under the Act be closely supervised by an individual acceptable to and upon such terms as are deemed appropriate by the Director, Registrations of the Commission for a period of six months from the date of this Order.

**5. THAT** Ratuski enroll in and successfully complete the Canadian Securities Institute Conduct & Practices Handbook course within 6 months of the date of this Order.

**6. THAT** Ratuski pay to the Commission costs in the amount of \$1,000.00 to be paid forthwith.

**BY ORDER OF THE COMMISSION**

**Director, Legal and Enforcement**

**Settlement Agreement**

**Murray Edwin Ratuski**

**and**

**The Staff of The Manitoba Securities Commission**

The Manitoba Securities Commission  
1130 - 405 Broadway  
Winnipeg, Manitoba  
R3C 3L6

**SETTLEMENT AGREEMENT**

**A. Introduction**

A1. On October 16, 2002, The Manitoba Securities Commission ("Commission") issued a notice of hearing ("Notice of Hearing") giving notice of its intention to hold a hearing under The Securities Act to consider:

1. whether or not it is in the public interest to order, pursuant to subsection 8(1) of The Securities Act ("Act"), that Murray Edwin Ratuski ("Ratuski") be reprimanded, that terms and conditions be imposed upon the registration of Ratuski, and/or that Ratuski's registration as a salesman under the Act be suspended or cancelled;
2. whether or not it is in the public interest to order, pursuant to subsection 148.1(1) of the Act, that Ratuski pay an administrative penalty;
3. whether or not it is in the public interest to order that Ratuski pay the costs of the investigation and hearing;

4. such further and other matters and the making of such further and other orders as the Commission may deem appropriate.

A2. Discussions have been held between the respondent and staff of the Commission ("Staff") in an effort to settle the matters set out in the Notice of Hearing and Statement of Allegations dated October 16, 2002 ("Proceedings"). A settlement ("Settlement") has been reached based on the terms and conditions set forth in this agreement ("Settlement Agreement").

A3. Pursuant to the Settlement, Staff agrees to recommend to the Commission that the Proceedings initiated against the respondent be resolved and disposed of in accordance with the terms and conditions of this Settlement Agreement as set forth below. The respondent consents to the Settlement and to the making of the consent order referred to in paragraph D. below, on the terms and conditions set forth in this Settlement Agreement.

## **B.Statement of Facts**

B1. Ratuski was first registered as a salesman under the Act on February 12, 1996.

B2. 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.

B3. 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 Commission.

B4. Prior to being registered under the Act, Ratuski was licensed as a life insurance agent and Vera Crawford had been a client of his for a number of years.

B5. After Ratuski's registration under the Act, in the fall of 1996, Vera Crawford also became a client of Ratuski's in his capacity as a mutual funds salesman.

B6. At the time that Vera Crawford became a mutual funds client of Ratuski's, she was 86 years of age and a widow. Vera Crawford's investment objectives were stated as INCOME, her investment knowledge as NIL, and her risk tolerance as LOW.

B7. Commencing in the fall of 1996, Vera Crawford purchased mutual funds through Ratuski as her representative.

B8. Prior to his registration under the Act, Ratuski had borrowed monies from Vera Crawford as follows:

Approximate	Principal
<u>Date of Loan</u>	<u>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").

B9. The Loans remained outstanding at the time of Ratuski's registration under the Act.

B10. Ratuski did not inform Manulife Securities of the Loans and the existing borrower/lender relationship between himself and his client Vera Crawford.

B11. Vera Crawford passed away in the fall of 1998. The Loans remained outstanding at the time of her demise.

### **C. Acknowledgements**

C1. Ratuski acknowledges and agrees that he acted contrary to the public interest in that he:

(a) failed to avoid personal financial dealings with his client Vera Crawford from and after his date of registration as a salesperson on February 12, 1996, notwithstanding the Loans from Vera Crawford to Ratuski were made in 1992 and 1994;

(b) failed to disclose the existence of the outstanding Loans made in 1992 and 1994 to his broker Manulife on February 12, 1996 or at anytime thereafter; and

(c) failed to act in the best interests of his client Vera Crawford in the circumstances particularized hereinabove.

### **D. Terms of Settlement**

D1. In order to effect a resolution of the issues raised by the Notice of Hearing, Staff and the respondent have entered into this Settlement Agreement. Upon this basis, Staff seek an order ("Consent Order") from the Commission pursuant to subsections 8(1) and 148.1(1) of the Act that:

(a) the Settlement Agreement be approved;

(b) pursuant to subsection 8(1) of the Act, a written reprimand be placed on Ratuski's registration file with the Commission relating to the matters set out in this Settlement Agreement, with a copy of this Settlement Agreement to be attached as Schedule "A" to the reprimand;

(c) pursuant to subsection 148.1(1) of the Act, Ratuski pay an administrative penalty of \$6,000.00, to be paid in two instalments, the first of which shall be in

the amount of \$2,500.00 made on or before June 30, 2003 and the second of which shall be in the amount of \$3,500.00 made on or before September 30, 2003;

(d) Ratuski's conduct and practices as a salesman registered under the Act be closely supervised by an individual acceptable to and upon such terms as are deemed appropriate by the Director, Registrations of the Commission for a period of six months from the date of the Order;

(e) Ratuski enroll in and successfully complete the Canadian Securities Institute Conduct & Practices Handbook course within 6 months of the date of the Order;

(f) Ratuski pay to the Commission costs in the amount of \$1,000.00 to be paid forthwith upon the granting of the Order.

#### **E. Procedure for Approval of Settlement**

E1. The approval of this Settlement Agreement and the making of the Consent Order set out in this Settlement Agreement shall be sought at a public hearing pursuant to the Notice of Hearing.

E2. Staff and the respondent agree that if this Settlement Agreement is approved by the Commission, it will constitute the entirety of the evidence to be submitted to the Commission in connection with the Proceedings and the respondent hereby waives his right to a full hearing and appeal of this matter.

E3. If, for any reason whatsoever, this Settlement Agreement is not approved by the Commission or the Consent Order referred to in paragraph D. above is not made by the Commission, Staff will be entitled to proceed with the hearing commenced by the Notice of Hearing unaffected by this Settlement Agreement or the settlement discussions. If this Settlement Agreement is not approved or the Consent Order set out in paragraph D. above is not made by the Commission, the terms of this Settlement Agreement will not be raised in the Proceedings or in any other proceeding.

E4. Staff and the respondent agree that if this Settlement Agreement is approved by the Commission and the Consent Order made upon the terms set out in this Settlement Agreement, this Settlement Agreement will be a public document.

E5. The respondent agrees that he will not raise in any proceeding this Settlement Agreement or the negotiation or process of approval of this Settlement Agreement as a basis for an attack on the Commission's jurisdiction, alleged bias, alleged unfairness or any other challenge that may be available.

E6. If this Settlement Agreement is approved by the Commission and the Consent Order is made upon the terms set out in this Settlement Agreement, neither Staff nor the respondent will make any statement inconsistent with this Settlement Agreement.

DATED at Winnipeg, Manitoba, this 3rd day of June, 2003.

**Witness**

"Murray Edwin Ratuski"  
Murray Edwin Ratuski

**DATED** at Winnipeg, Manitoba, this 4th day of June, 2003.

Staff of the Manitoba Securities Commission  
per: "Douglas R. Brown"  
Director, Legal and Enforcement