



**Mutual Fund Dealers Association of Canada**  
Association canadienne des courtiers de fonds mutuels

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MFDA #85  
AUC #12

July 6, 2015

**BY REGULAR AND REGISTERED MAIL AND EMAIL to [ken@muzikfinancial.com](mailto:ken@muzikfinancial.com)**

Kenneth Muzik  
26 Castle Ridge Drive  
Winnipeg, MB R3Y 1W1

Dear Mr. Muzik:

**Re: In the matter of Kenneth Muzik**  
**MFDA File No. 04098/12/08/MB**

As you are aware, the Mutual Fund Dealers Association of Canada (the "MFDA") conducted an investigation relating to the above-noted file. The MFDA wrote to you regarding this matter, and you were given an opportunity to reply.

When there is insufficient evidence of a violation of MFDA requirements, the MFDA will take no action and close the file. When there is evidence of a violation of MFDA requirements, the MFDA takes appropriate action against the Member or Approved Person. After review and assessment of your conduct, MFDA Enforcement Staff identified that

- i. From 2005 to 2007, you misrepresented, failed to fully and adequately explain, or omitted to explain, the risks, material assumptions, and features of commuting the value of a pension that you recommended and implemented in the accounts of 17 clients, thereby failing to ensure that the strategy was suitable and appropriate for the clients and in keeping with their investment objectives; and
- ii. From 2005 to 2008, you failed to individually assess the 17 clients' risk tolerance and investment knowledge and misrepresented their know-your-client information on the account opening documents of the 17 clients such that the investments in their accounts would appear suitable for them, thereby failing to know the clients, engaging in conduct unbecoming an Approved Person, and failing to observe high standards of ethics and practice in the conduct of business.

Enforcement Staff is, therefore, of the view that there would be sufficient evidence to support a finding of breach of MFDA Rule 2.2.1 and Rule 2.1.1.

As an Approved Person under the jurisdiction of the MFDA, it was your responsibility to ensure that your conduct complied with the MFDA's By-laws, Rules and Policies, provincial securities

legislation, and any other applicable legislation. As a self-regulatory organization, the MFDA expects that Members and their Approved Persons will set and adhere to a standard of conduct that is above reproach. Failure to fulfill this responsibility exposes you to disciplinary action by the MFDA.

While your conduct set out above is a serious matter, the MFDA has decided that it will not initiate formal disciplinary proceedings against you in this case. The MFDA is sending you this letter as a warning to ensure that there will be no similar breaches of the MFDA's By-law, Rules and Policies, provincial securities legislation, and any other applicable legislation in the future. Should this conduct persist, or any additional evidence or complaints come to the attention of the MFDA, then the MFDA reserves the right to re-open its case and initiate formal disciplinary proceedings against you in respect of matters addressed in this letter and other regulatory breaches. If disciplinary action is taken regarding subsequent breaches of a similar nature, this Warning Letter may be introduced as evidence at that hearing and considered when assessing the severity of the penalty that might be sought. This Warning Letter may also be disclosed in relation to any hearing where it may be relevant or where the MFDA is compelled by law to publicly disclose this letter.

You should be aware that the MFDA's decision is based solely on regulatory considerations. The considerations which the MFDA has applied in coming to this decision may be different than those applied in a civil law context or by the Ombudsman for Banking Services and Investments.

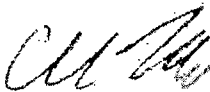
The MFDA will maintain a copy of this letter on file. Please note that this letter is being copied to the Manitoba Securities Commission.

If you wish to discuss the contents of this letter or seek clarification on any issue contained in this letter, please contact me at your convenience.

The MFDA now considers all aspects of MFDA File No. 04098/12/08/MB pertaining to you to be closed.

Yours truly,

**MUTUAL FUND DEALERS ASSOCIATION OF CANADA**



Charles A. Toth  
Director, Litigation

Copy: Lyla Simon, Senior Enforcement Counsel, MFDA  
Manitoba Securities Commission  
Manulife Securities Investment Services Inc.

DM# 433678