



Citation: 2021 BCSECCOM 142

Notice of Hearing

Jeffrey Dean Mushaluk

(the Respondent)

Section 161 of the *Securities Act*, RSBC 1996, c. 418

- ¶ 1 The British Columbia Securities Commission (Commission) will hold a hearing (Hearing) at which the Executive Director will tender evidence, make submissions and apply for orders against the Respondent under sections 161, 162 and 174 of the *Securities Act*, RSBC 1996, c. 418 (the Act), based on the following facts:

Summary

1. From February 2014 to April 2017 (the Relevant Period), Jeffrey Dean Mushaluk (Mushaluk) traded in securities and acted as an adviser without being registered.
2. By engaging in the conduct as set out in this Notice of Hearing, Mushaluk contravened sections 34(a) and (b) of the Act.

Background

3. Mushaluk is a resident of Salmon Arm, British Columbia. Mushaluk was a licensed insurance agent from February 14, 2011 to November 29, 2016.
4. Mushaluk was registered under the Act to sell mutual fund securities between April 21, 2008 and August 1, 2014 but his registration did not permit his activity outlined at paragraphs 6-8. Mushaluk was not registered under the Act from August 2, 2014 to the end of the Relevant Period.
5. During the Relevant Period:
 - (a) Mushaluk had a consulting agreement with a corporation (the Corporation) that managed fifteen of its own proprietary investment funds (the Investment Funds); and
 - (b) the Corporation was registered in Ontario as an Investment Fund Manager, Exempt Market Dealer and Portfolio Manager and in British Columbia as an Exempt Market Dealer and Portfolio Manager.



Misconduct

6. During the Relevant Period, Mushaluk was in the business of trading in securities because he:
 - (a) solicited and referred 96 investors (the Mushaluk Investors) to the Corporation;
 - (b) hosted investment seminars where he provided information about the Corporation and the Investment Funds;
 - (c) collected “Know Your Client” information for the Mushaluk Investors, including risk preferences, investment goals, and household income; and
 - (d) facilitated investments by the Mushaluk Investors by completing investment and other paperwork and acting as the primary point of contact for the Mushaluk Investors.
7. During the Relevant Period, Mushaluk was in the business of advising clients because he:
 - (a) held himself out as a “financial advisor” and an “investment advisor”; and
 - (b) made investment recommendations to, or gave instructions for portfolio allocations for, 61 of the Mushaluk Investors.
8. Between July 2014 and April 2017, Mushaluk was in the business of advising investment funds because he made recommendations for buying and selling securities in two of the Investment Funds.
9. The Corporation paid Mushaluk commissions for his conduct outlined at paragraphs 6-8, based on a percentage of Mushaluk Investors’ assets under management by the Corporation. During the Relevant Period, the Corporation paid Mushaluk a total of \$645,750, before the Corporation collapsed in April 2017.

Hearing Process

- ¶ 2 The Respondent or his counsel are required to attend at the 12th Floor Hearing Room, 701 West Georgia Street, Vancouver, British Columbia, on **May 12, 2021, at 9:00 a.m.** if they wish to be heard before the Commission sets a date for the Hearing. Relevant information gathered by Commission Staff in the investigation of this matter will be disclosed to the Respondent upon request to the Executive Director.
- ¶ 3 At the Hearing, the Respondent may be represented by counsel, make submissions and tender evidence. The Respondent is requested to advise the Commission of his intention to attend the Hearing by informing the Hearing Office at PO Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver, BC V7Y 1L2 phone: (604) 899-6500; email: commsec@bcsc.bc.ca.



- ¶ 4 If the Respondent or his counsel do not appear at the Hearing, the Executive Director may apply to have questions of liability and sanction heard at the same time. Determinations adverse to the Respondent may be made in his absence.

Peter J Brady

Apr 13 2021 11:26 AM -07:00

- ¶ 5 Peter J. Brady
Executive Director