



**IN THE MATTER OF  
THE MUTUAL FUND DEALER RULES<sup>i</sup>**

**and**

**Andrew Kazina**

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**ORDER**

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**WHEREAS** on June 4, 2020, the Mutual Fund Dealers Association of Canada (the “MFDA”) issued a Notice of Hearing pursuant to sections 20 and 24 of MFDA By-law No. 1 (now Mutual Fund Dealer Rules 7.3 and 7.4) in respect of a disciplinary proceeding commenced against Andrew Kazina (the “Respondent”);

**AND WHEREAS** on January 1, 2023, the MFDA and the Investment Industry Regulatory Organization consolidated to form the New Self-Regulatory Organization of Canada (now called the Canadian Investment Regulatory Organization);

**AND WHEREAS** on November 14 through 18 and November 21, 2022, a hearing on the merits was conducted before a hearing panel of the Manitoba District Hearing Committee (the “Hearing Panel”);

**AND UPON** reading the affidavits and other documentary evidence filed by the parties and the written submissions of the parties and hearing the testimony of witnesses called by the parties and the oral submissions of the parties, the Hearing Panel is of the opinion that the Respondent:

- a. Between February 8, 2002, and October 5, 2017, the Respondent engaged in outside business activities that were not disclosed to and approved by the Member by operating businesses that provided tax, accounting, marketing,

franchising, and other consulting services to businesses, contrary to MFDA Rules 1.2.1(d), 2.1.1, 2.5.1, 2.10, and 1.1.2;

- b. between January 2012 and October 5, 2017, the Respondent recommended and accepted approximately \$257,500 for investment in a business that he operated from at least eight clients and at least two non-clients, thereby engaging in securities related business that was not carried on for the account of the Member or processed through the facilities of the Member, contrary to MFDA Rules 1.1.1, 2.1.1, 2.5.1, 2.10, and 1.1.2;
- c. between January 2012 and October 5, 2017, the Respondent solicited approximately \$232,500 from at least eight clients that he used to finance and operate his business and commingled the money with his personal savings in bank accounts that he held jointly with his wife, thereby engaging in personal financial dealings with clients that gave rise to a conflict of interest that he failed to disclose to the Member or address by the exercise of responsible business judgment influenced only by the best interests of the clients, contrary to MFDA Rules 2.1.4 and 2.1.1; and
- d. between 2006 and October 5, 2017, the Respondent provided false or misleading information to the Member in responses to questions on annual compliance questionnaires from the Member, contrary to MFDA Rule 2.1.1.

**AND WHEREAS** on March 20, 2024, and November 13, 2024, a penalty hearing was conducted before the Hearing Panel electronically by videoconference;

**AND UPON** reading the documentary evidence filed by the Respondent, reading the written submissions of the parties, and hearing the oral submissions of the parties;

**IT IS HEREBY ORDERED THAT:**

1. The Respondent is permanently prohibited from conducting securities related business in any capacity while in the employ of or associated with any CIRO Dealer

Member registered as a mutual fund dealer commencing on the date of this Order, pursuant to s. 24.1.1(e) of MFDA By-law No. 1 (now Mutual Fund Dealer Rule 7.4.1.1(e)).

2. The Respondent shall pay a fine of \$313,500 on the date of this Order, pursuant to s. 24.1.1(b) of MFDA By-law No. 1 (now Mutual Fund Dealer Rule 7.4.1.1(b)), comprising:

a. an amount sufficient to disgorge \$213,500, being the amount the Respondent obtained from his contravention of the MFDA Rules; and

b. a fine of \$100,000.

3. The Respondent shall pay costs in the amount of \$30,000 on the date of this Order, pursuant to s. 24.2 of MFDA By-law No. 1 (now Mutual Fund Dealer Rule 7.4.2).

4. If at any time a non-party to this proceeding, with the exception of the bodies set out in Mutual Fund Dealer Rule 6.3, requests production of or access to exhibits in this proceeding that contain personal information as defined by CIRO's Privacy Policy, then the CIRO Hearing Office shall not provide copies of or access to the requested exhibits to the non-party without first redacting from them any and all intimate financial and personal information, pursuant to Rules 1.8(2) and (5) of the Mutual Fund Dealer Rules of Procedure.

**DATED** this 13<sup>th</sup> day of November 2024.

“Sherry Walsh”

Sherry Walsh

Chair

“Guenther Kleberg”

Guenther Kleberg

Industry Representative

“Greg Wiebe”

Greg Wiebe

Industry Representative

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<sup>i</sup> On January 1, 2023, the Investment Industry Regulatory Organization of Canada (“IIROC”) and the Mutual Fund Dealers Association of Canada (the “MFDA”) were consolidated into a single self-regulatory organization recognized under applicable securities legislation that is called the Canadian Investment Regulatory Organization (referred to herein as “CIRO”). CIRO adopted interim rules that incorporate the pre-amalgamation regulatory requirements contained in the rules and policies of IIROC and the by-law, rules and policies of the MFDA (the “Interim Rules”). The Interim Rules include (i) the Investment Dealer and Partially Consolidated Rules, (ii) the UMIR and (iii) the Mutual Fund Dealer Rules. These rules are largely based on the rules of IIROC and certain by-laws, rules and policies of the MFDA that were in force immediately prior to amalgamation. Where the rules of IIROC and the by-laws, rules and policies of the MFDA that were in force immediately prior to amalgamation have been incorporated into the Interim Rules, Enforcement Staff have referenced the relevant section of the Interim Rules. Pursuant to Mutual Fund Dealer Rule 1A and s.14.6 of By-Law No. 1 of CIRO, contraventions of former MFDA regulatory requirements may be enforced by CIRO. Pursuant to Mutual Fund Dealer Rule 1A, MFDA By-law No. 1 continues to be applicable to this proceeding.