

**In the Matter of  
*The Securities Act, 1988***

**and**

**In the Matter of  
Francois Paul Blouin**

**STATEMENT OF ALLEGATIONS  
OF STAFF OF FINANCIAL AND CONSUMER AFFAIRS  
AUTHORITY OF SASKATCHEWAN**

Staff of Financial and Consumer Affairs Authority of Saskatchewan (Staff of FCAA) make the following allegations:

**The Respondent**

1. The Respondent, Francois Paul Blouin, (the Respondent) is an individual resident in Saskatoon, Saskatchewan. From on or about October 3, 2013 to on or about September 13, 2019 the Respondent was registered in Saskatchewan with Tri View Capital Ltd. (Tri View) as a dealing representative under the exempt market dealer category.

**Related Parties**

2. TriView Capital Ltd. (“TriView”) is a business corporation registered in Saskatchewan under the exempt market dealer category. TriView has been registered in this category in Saskatchewan since on or about October 25, 2012.
3. Olive Equity Group Inc. (“Olive Equity”) was, at all material times, a business corporation incorporated pursuant to the laws of the province of Alberta on or about May 5, 2013.

**Contraventions of clause 27(2)(a) of *The Securities Act, 1988* (the Act)**

4. From in or around November 2013 to in or around November 2014 (the Relevant Time), the Respondent acted as a dealer as defined in the Act by engaging in the business of trading in securities of Olive Equity in Saskatchewan.

5. The details of these activities include, but are not limited to, the following:
- a. During the Relevant Time, the Respondent met with persons who were known to him as clients of TriView (the TriView Clients) and one other individual who was not a client of TriView (the Other Investor), for the purpose of facilitating or assisting these persons in purchases of shares in Olive Equity. The Respondent provided the TriView Clients and the Other Investor with information on Olive Equity as. The Respondent also provided the TriView Clients and the Other Investor with information regarding other investment opportunities that Olive Equity intended to pursue on behalf of investors;
  - b. In order to facilitate the purchase of shares in Olive Equity by the TriView Clients and the Other Investor, the Respondent provided each of the TriView Clients and the Other Investor with a subscription agreement for class B common non-voting shares in Olive Equity (the “Subscription Agreements”);
  - c. The Respondent met with the TriView Clients and the Other Investor to assist in completing the Subscription Agreements and took payment from the TriView Clients and the Other Investor pursuant to the Subscription Agreements in the following amounts, which was then forwarded on to Olive Equity on behalf of the investors:

Number	Client	Amount Invested
1	TriView Client 1	\$100,000
2	TriView Client 2	\$250,000
3	TriView Client 3	\$25,000
4	TriView Client 4	\$50,000
5	TriView Client 5	\$50,000
6	TriView Client 6	\$75,000
<u>7</u>	<u>TriView Client 7</u>	<u>\$285,000</u>
8	TriView Client 8	\$350,000
9	TriView Client 9	\$100,000
10	TriView Client 10	\$200,000
11	TriView Client 11	\$100,000
12	TriView Client 12	\$150,000
13	TriView Client 13	\$50,000
14	TriView Client 14	\$50,000
15	TriView Client 15	\$50,000
16	TriView Client 16	\$50,000
<u>17</u>	<u>TriView Client 17</u>	<u>\$60,000</u>
<u>18</u>	<u>TriView Client 18</u>	<u>\$100,000</u>
<u>19</u>	<u>Other Investor 1</u>	<u>\$25,000</u>
	<b>Total:</b>	<b><u>\$2,120,000</u></b>

and

- d. For his assistance in selling shares in Olive Equity to the TriView Clients and the Other Investor, Olive Equity paid the Respondent, and the Respondent accepted, a commission of 7% on each sale. These payments were made either directly to the Respondent, or indirectly to the Respondent, through a business corporation controlled by the Respondent. These payments were not made to TriView and the Respondent did not advise TriView about these payments until after these payments had been accepted and deposited by the Respondent.
6. At no time did TriView approve shares in Olive Equity for sale by its representatives.
  7. Throughout the relevant time, TriView was not aware of the above-noted sales of Olive Equity shares to its clients, by the Respondent.
  8. While the Respondent carried out the acts indicated in paragraph 5, above, he was acting as a dealer in Saskatchewan but was neither registered as a dealer, as required by clause 27(2)(a)(i) of the Act, nor was he registered as a representative of a registered dealer and acting on behalf of that registered dealer, as required by clause 27(2)(a)(ii) of the Act, and therefore, was in contravention of clause 27(2)(a) of the Act.

**Contraventions of subsection 33.1(1) of the Act**

9. The Respondent had the TriView Clients sign Subscription Agreements which included the following phrase:
 

“The person selling me these securities is not registered with a securities regulatory authority or regulator and has no duty to tell me whether this investment is suitable for me.”
10. When the Respondent had the TriView Clients sign the Subscription Agreements, he was registered in Saskatchewan as a dealing representative under the exempt market dealer category, and as such, he was registered with a securities regulatory authority and he was required, pursuant to section 13.3 of NI 31-103, to take reasonable steps to ensure that, before he accepts an instruction from a client to buy a security, that the purchase is suitable for the client.
11. By having the TriView Clients sign the Subscription Agreements, which contained the phrase reproduced in paragraph 9, above, the Respondent failed to deal fairly, honestly, and in good faith with his clients, contrary to clause 33.1(1) of the Act.

**Contravention of section 4.1 of National Instrument 33-109 Registration Information (NI 33-103)**

12. In or around April 2012 the Respondent applied for registration as a dealing representative of an exempt market dealer with the Financial and Consumer Affairs

Authority of Saskatchewan (the Authority), and as such, in accordance with NI 33-109, filed a form 33-109F4 with the Authority through the National Registration Database (NRD).

13. The form 33-109F4 filed by the Respondent had appended to it a number of Schedule G's, which were confirmed by the Respondent upon filing the form 33-109F4 on NRD to include all of his then-current business and employment activities, including employment and business activities with his sponsoring firm (namely, TriView) and any other employment and business activities outside his sponsoring firm. These were also confirmed to have included all of the Respondent's then-current business related officer or director positions and any other equivalent positions held by the Respondent, whether he received compensation or not.
14. The form 33-109F4 filed by the Respondent did not include any information with respect to any activities related to Olive Equity.
15. From time to time since filing the above-mentioned form 33-109F4 in April 2012, the Respondent did notify the Authority of certain changes to the information submitted in respect to this form 33-109F4, however, at no time did the Respondent notify the Authority of any change to the information related to his outside business activities related to Olive Equity.
16. In failing to update his form 33-109F4 to reflect the change in his outside business activities related to Olive Equity, as outlined in paragraph 5, above, the Respondent breached section 4.1 of NI 33-109.

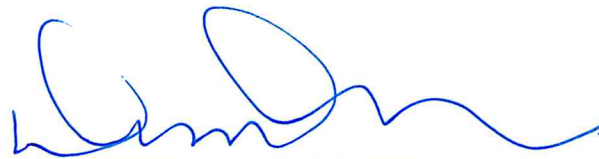
### **Relief Sought**

17. Based on the above, Staff of FCAA ask the hearing panel to consider whether it is in the public interest to make the following orders:
  - a. Pursuant to clause 134(1)(d) of the Act, the Respondent shall cease trading in securities or derivatives in Saskatchewan for a period of seven years;
  - b. Pursuant to subsection 134(1)(d.1) of the Act, the Respondent shall cease acquiring securities or derivatives for and on behalf of residents of Saskatchewan for a period of seven years;
  - c. Pursuant to clause 134(1)(e) of the Act, the Respondent shall cease giving advice respecting securities, trades or derivatives in Saskatchewan for a period of seven years;
  - d. Pursuant to clause 134(1)(h)(iii) of the Act, the Respondent shall not be employed by any issuer, registrant or investment fund manager in any capacity that would allow him to trade in securities or derivatives in Saskatchewan for a period of seven years;

- e. Pursuant to clause 134(1)(h.1) of the Act, the Respondent is prohibited from becoming or acting as a registrant, and investment fund manager or a promoter for a period of seven years;
- f. Pursuant to section 135.1 of the Act, the Respondent shall pay an administrative penalty to the Financial and Consumer Affairs Authority of Saskatchewan, in the amount of \$70,000.00;
- g. Pursuant to section 135.6 of the Act, the Respondent shall pay financial compensation to each person or company found to have sustained financial loss as a result, in whole or in part, of the Respondent's contraventions of Saskatchewan securities laws, in amounts to be determined; and
- h. Pursuant to section 161 of the Act, the Respondent shall pay the costs of or relating to a hearing in this matter.

DATED at Regina, Saskatchewan, this 22<sup>nd</sup> day of November, 2019.

AMENDED at Regina, Saskatchewan, this 5<sup>th</sup> day of October, 2020.



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Dean Murrison  
Director,  
Securities Division  
Financial and Consumer Affairs Authority of  
Saskatchewan