

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

**and**

**In the Matter of  
Gaetan Daniel Blouin**

**Notice of First Appearance**

TO: Gaetan Daniel Blouin

TAKE NOTICE THAT you or a representative are to attend before a Panel of the Financial and Consumers Affairs Authority of Saskatchewan (the Authority) via teleconference on Tuesday, October 29, 2019, at 9:00 a.m. (CST) to speak to the scheduling of a date for a hearing into the matters alleged in the Statement of Allegations, dated June 13, 2019, a copy of which you have previously received.

The teleconference number is: [REDACTED]

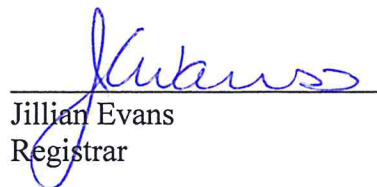
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TAKE NOTICE that you are entitled to be represented by legal counsel and to make representations on the return date;

AND FURTHER TAKE NOTICE that if you do not attend at the time and place as aforesaid, the conference call will proceed in your absence and the Panel of the Authority may set hearing dates in the above matter without further notice to you;

AND FURTHER TAKE NOTICE that any order made by the Authority may form the basis for a parallel order in another jurisdiction in Canada. The securities laws of some other Canadian jurisdictions may allow orders made in this matter to take effect in other jurisdictions automatically, without further notice to you. If an order is made or a settlement is reached in relation to the matters set out in the Statement of Allegations attached hereto, you should contact the securities regulator of any other jurisdiction in which you may intend to engage in any securities related activities.

DATED at Regina, Saskatchewan on October 11, 2019.

  
\_\_\_\_\_  
Jillian Evans  
Registrar

**For Delivery To:**

**Gaetan Daniel Blouin**

53 Summerfeldt Drive  
Thode, SK S7C 0A4

Via Email: [gblouin@rtmltd.ca](mailto:gblouin@rtmltd.ca)

**Note:** Saskatchewan Policy Statement 12-602 *Procedure on Hearings and Reviews* (SP 12-602) sets out information on the procedures for this hearing. SP 12-602 can be found on the Authority's website at [www.fcaa.gov.sk.ca](http://www.fcaa.gov.sk.ca).

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**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, Gaetan Daniel Blouin, (the Respondent) is an individual resident in ██████████ Saskatchewan. From on or about May 4, 2012 to on or about August 20, 2013 the Respondent was registered in Saskatchewan with Raintree Financial Solutions Inc. (Raintree) as a dealing representative under the exempt market dealer category.

**Related Parties**

2. Raintree is a business corporation registered in Saskatchewan under the exempt market dealer category. Raintree has been registered in this category since on or about December 9, 2010.
3. Olive Equity Group Inc. (Olive Equity) is a business corporation incorporated pursuant to the laws of the province of Alberta. Olive Equity was incorporated on or about May 5, 2013.

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

4. From in or around May 2013 to in or around July 2013 (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. During the Relevant Time the Respondent acted as an adviser as defined in the Act by engaging in the business of advising another as to the buying of securities of Olive Equity in Saskatchewan.
6. 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 Raintree (the Raintree Clients) and also other individuals who were not clients of Raintree (the Other Investors) at Raintree's sub-branch office in Saskatoon, Saskatchewan, for the purpose of advising these persons as to the buying of shares in Olive Equity. The Respondent provided the Raintree Clients and the Other Investors with information on Olive Equity as well as information regarding investments that were available to persons who invested with Olive Equity, including information with respect to possible profits to be made;
  - b. In order to facilitate the purchase of shares in Olive Equity by the Raintree Clients and the Other Investors, the Respondent provided each of the Raintree Clients and the Other Investors with a subscription agreement for class B common non-voting shares in Olive Equity (the Subscription Agreements);
  - c. The Respondent met with the Raintree Clients and the Other Investors to assist them in completing the Subscription Agreements and took payment from the Raintree Clients and the Other Investors pursuant to the Subscription Agreements in the following amounts:

i. Raintree Client 1:	\$100,000.00,
ii. Raintree Client 2:	\$115,000.00,
iii. Raintree Client 3:	\$25,000.00,
iv. Other Investor 1:	\$300,000.00, and
v. Other Investor 2:	\$150,000.00.
<b>Total:</b>	<b>\$690,000.00.</b>
  - d. The Respondent then forwarded the Subscription Agreements along with the payments collected from the Raintree Clients and the Other Investors to Olive Equity; and
  - e. For his assistance in selling shares in Olive Equity to the Raintree Clients and the Other Investors, Olive Equity paid the Respondent, and the Respondent accepted, a commission of in or around 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 Raintree and the Respondent did not advise Raintree about these payments.
7. At no time did Raintree approve shares in Olive Equity for sale by its representatives.
8. Throughout the relevant time, Raintree was not aware of the above-noted sales of Olive



Equity shares to its clients, by the Respondent.

9. While the Respondent carried out the acts indicated in paragraph 6, 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.
10. As the Respondent was not registered as a dealer nor registered as a representative of a registered dealer and acting on behalf of that registered dealer, while engaged in the activities outline in paragraph 6, above, the exemption from the requirement to register as an adviser with respect to these sales, found in section 8.23 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registration Obligations* (NI 31-103) was not available to the Respondent. Therefore, while the Respondent carried out the acts indicated in paragraph 6, above, the Respondent was acting as an adviser while not registered to do so, in contravention of clause 27(2)(b) of the Act.

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

11. Each of the Subscription Agreements that the Respondent had the Raintree Clients sign 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.”
12. When the Respondent had the Raintree 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.
13. By having the Raintree Clients sign the Subscription Agreements, which contained the phrase reproduced in paragraph 11, 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)**

14. In or around May 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).
15. 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, Raintree) 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.

16. The form 33-109F4 filed by the Respondent did not include any information with respect to any activities related to Olive Equity.
17. At no time since filing the above-mentioned form 33-109F4 in May 2012 did the Respondent notify the Authority of any change to the information submitted in respect to this form 33-109F4. In particular, the Respondent did not notify the Authority of any change to the information related to his outside business activities, specifically his activities related to Olive Equity.
18. In failing to update his form 33-109F4 to reflect the change in his outside business activities, as outline in paragraph 6, above, the Respondent breached section 4.1 of NI 33-109.

#### **Contraventions of subsection 55.13(1) of the Act**

19. On or about May 7, 2019, in response to a summons issued by Staff of FCAA, the Respondent attended at Staff of FCAA's office to give evidence under oath or otherwise in relation to an investigation into the activities and affairs of Olive Equity and the Respondent relating to the administration of the Act and relating to trading in securities.
20. The Respondent did, after affirming that the evidence to be given during his examination would be the truth the whole truth and nothing but the truth, advise Staff of FCAA that he had not raised any capital for any businesses outside of Raintree before August 13, 2013.
21. In giving this evidence, outlined in paragraph 20, above, the Respondent made a statement in evidence given to the Authority or a person acting under its authority that, in a material respect and at the time, in light of the circumstances under which it was made, was false, and therefore, contravened clause 55.13(1)(a) of the Act.

#### **Relief Sought**

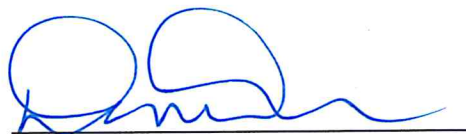
22. Based on the above, Staff of FCAA ask the hearing panel to consider whether it is in the public interest to make the following orders:
  - a. Pursuant to clause 134(1)(d) of the Act, the Respondent shall cease trading in securities or derivatives in Saskatchewan for a period of seven years;
  - b. 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 \$65,000.00;
- 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 13 day of June, 2019.



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