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

IN THE MATTER OF A SETTLEMENT HEARING
PURSUANT TO SECTION 24.4 OF BY-LAW NO. 1 OF
THE MUTUAL FUND DEALERS ASSOCIATION OF CANADA

Re: Chad Duart Boutilier

Heard: July 28, 2021 by electronic hearing in Halifax, Nova Scotia
Decision: July 28, 2021
Reasons for Decision: October 4, 2021

REASONS FOR DECISION

Hearing Panel of the Atlantic Regional Council:

Noella Martin, Q.C.	Chair
Darrell Bing	Industry Representative
Dennis LeBlanc	Industry Representative

Appearances:

Brendan Forbes	)	Enforcement Counsel for the Mutual Fund Dealers Association of Canada
Chad Duart Boutilier	)	Respondent

I. INTRODUCTION

1. At a Settlement Hearing by videoconference on July 28, 2021, this Hearing Panel was asked to accept a settlement agreement dated May 18, 2021 ("Settlement Agreement") negotiated between Staff of the Mutual Fund Dealers Association of Canada ("MFDA") and Chad Duart Boutilier ("Respondent").

2. Mr. Boutilier was present before us and was not represented by counsel.

3. In accordance with section 24.4.3 of By-law No. 1 of the MFDA, the Settlement Agreement was referred to this Hearing Panel for acceptance or rejection. After hearing counsel for the MFDA, considering the exhibits filed and the written submissions of Staff of the MFDA, and deliberating, we concluded, albeit reluctantly, that we should accept the Settlement Agreement. These are our written reasons for so doing.

II. THE SETTLEMENT AGREEMENT

4. The Settlement Agreement is attached as Schedule "1" to these Reasons for Decision.

5. Pursuant to this Settlement Agreement, the Respondent admitted that between September 2018 and August 2019, the Respondent signed the signature of eight clients on eight account forms, and submitted the forms to the Member for processing, contrary to MFDA Rule 2.1.1.

6. The key portions of the Settlement Agreement entered into with the MFDA by the Respondent are as follows:

III. AGREED FACTS

Registration History

7. Between September 11, 2018 and October 9, 2019, the Respondent was registered in Nova Scotia as a Dealing Representative with BMO Investments Inc. (the "Member"), a Member of the MFDA.

8. On October 9, 2019, the Member terminated the Respondent and he is not currently registered in the securities industry in any capacity.

9. At all material times, the Respondent conducted business in the Dartmouth, Nova Scotia area.

The Respondent Signed Client Signatures

10. At all material times, the Member's policies and procedures prohibited Approved Persons from signing client signatures.

11. Between September 2018 and August 2019, the Respondent signed the signature of 8 clients on 8 account forms, and submitted the forms to the Member for processing.

12. The account forms consisted of 4 Non-Financial Amendment Forms, 2 Registered Education Savings Plan "RESP" Account Opening Forms, 1 Know-Your-Client "KYC" Update Form, and 1 Purchase Form.

The Member's Investigation

13. On September 18, 2019, as part of a review by the Member of the Respondent's branch, the Respondent's branch manager identified one of the account forms that are the subject of this Settlement Agreement.

14. Subsequently, the Member conducted an investigation and reviewed 54 of the Respondent's client files, during which the Member identified the remaining forms which are the subject of this Settlement Agreement.

15. In November 2019, the Member contacted or attempted to contact the affected clients to determine whether they signed the account forms described above and whether they had authorized the transactions. All the clients who the Member contacted advised the Member that they did not sign the account forms, but that they had authorized the underlying transaction. Each of these clients provided an updated signature on the deficient account forms. For one client who did not respond to the Member's inquiry, the Member has advised Staff that it will obtain an updated signature on the account form when the client next attends the branch.

Additional Factors

16. There is no evidence that the Respondent received any financial benefit from the conduct set out above beyond the commissions or fees he would ordinarily be entitled to receive had the transactions been carried out in the proper manner.

17. There is no evidence of client loss or lack of authorization.

18. The Respondent has not previously been the subject of MFDA disciplinary proceedings.

19. By entering into this Settlement Agreement, the Respondent has saved the MFDA the time, resources, and expenses associated with conducting a full hearing on the allegations.

20. The Respondent states that he has limited financial means and, as a result, he is unable to pay a monetary penalty that is greater than the total of the fine and costs amounts set out in this Settlement Agreement. MFDA Staff have received evidence which corroborates the Respondent's statement.

III. GENERAL PRINCIPLES ON THE ACCEPTANCE OF A SETTLEMENT AGREEMENT

7. At a settlement hearing the role of a Hearing Panel is fundamentally different than its role at a contested hearing. The often-cited reasoning from the I.D.A. decision of *Milewski (Re)* succinctly sets out the role of the Hearing Panel at a settlement hearing:

> We also note that while in a contested hearing the Panel attempts to determine the correct penalty, in a settlement hearing the Panel "will tend not to alter a penalty that it considers to be within a reasonable range, taking into account the settlement process and the fact that the parties have agreed. It will not reject a settlement unless it views the penalty as clearly falling outside a reasonable range of appropriateness."
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> *Milewski (Re)* [1999] I.D.A.C.D. No.17 at p. 10, Ontario District Council Decision dated July 28, 1999.

8. A Hearing Panel, pursuant to section 24.4.3 of MFDA By-law No. 1, has two options with respect to a settlement agreement; it can only accept or reject the settlement agreement.

9. It is clear from the jurisprudence emanating from the Courts and previous MFDA hearing panels that this Hearing Panel's task is not to decide whether we would have arrived at the same decision as that reached by the parties in this case. Rather, it is this Hearing Panel's responsibility to determine whether the penalty agreed upon falls within a reasonable range of appropriateness having regard to the conduct of the Respondent. If the negotiated settlement maintains the integrity of the investment industry, it is our duty to accept it.

10. In deciding whether to accept or reject the proposed Settlement Agreement in this matter, we have taken into account the following considerations as set out by previous decisions of Courts and MFDA hearing panels:

a) Whether acceptance of the Settlement Agreement would be in the public interest;
b) Whether the Settlement Agreement is reasonable in proportion to the conduct of the Respondent as set out in the Settlement Agreement;
c) Whether the Settlement Agreement addresses the issues of both specific and general deterrents;
d) Whether the proposed Settlement Agreement will prevent the type of conduct described in the Settlement Agreement from occurring again in the future;
e) Whether the Settlement Agreement will foster confidence in the integrity of the Canadian capital markets;
f) Whether the Settlement Agreement will foster confidence in the integrity of the MFDA; and
g) Whether the Settlement Agreement will foster confidence in the regulatory process itself.

> Re: P*rofessional Investments (Kingston) Inc. (Re),* [2009] MFDA, Ontario Regional Council, File No. 200836, Hearing Panel Decision dated March 24, 2009 at page 9.

Melvin Robert Penny (Re), [2009] MFDA, Atlantic Regional Council, File No. 200831, Hearing Panel Decision dated May 13, 2009, at page 8.

Alden M. Kaley (Re), MFDA, Atlantic Regional Council, File No 200911, Hearing Panel Decision dated August 21, 2009, at page 6.

11. We have also considered the factors that previous Hearing Panels have stated should be considered in determining whether a penalty is appropriate. These factors include the following:

a) The seriousness of the allegations proven against the Respondent;
b) The Respondent's past conduct, including prior sanctions;
c) The Respondent's experience and level of activity in the Capital Market;
d) Whether the Respondent recognizes that the conduct was improper and has demonstrated remorse;
e) The harm suffered by investors as a result of the Respondent's conduct;
f) The benefits received by the Respondent as a result of the improper activity;
g) The risk to investors and the capital markets in the jurisdiction were the Respondent to continue to operate in the capital markets in the jurisdiction;
h) The damage caused to the integrity of the capital markets in the jurisdiction by the Respondent's improper activities;
i) The need to determine whether not only those involved in the case being considered, but also any others participating in the capital markets engaged in a similar improper activity;
j) The need to alert others to the consequences of inappropriate activity to those who are permitted to participate in the capital markets; and
k) Previous decisions made in similar circumstances.

Lamoureux (Re), [2002] A.S.G.D. No. 125 at para 11.

Re: *In the matter of Robert Roy Parkinson* [2005] MFDA Ontario Regional Council, File No. 200509, Hearing Panel Decision dated February 21, 2006, at pp 25-26.

Alden M. Kaley (Re), [2009] MFDA Atlantic Regional Council, File No. 200911, Hearing Panel Decision dated September 28, 2009 at page 7.

12. We have also been guided by the MFDA Sanction Guidelines, which came into effect on November 15, 2018.

IV. STANDARD OF CONDUCT

13. MFDA Rule 2.1.1 prescribes the standard of conduct applicable to registrants in the mutual fund industry. The Rule requires, among other things, that:

> "Each Member and Approved Person of a Member shall: deal fairly, honestly and in good faith with its clients; observe high standards of ethics and conduct in the transaction of business; and not engage in any business conduct or practice which is unbecoming or detrimental to the public interest."

Signing Client Signatures is Not Permissible

14. When an Approved Person signs client signatures or initials on an account form purported to be signed by the client, the Approved Person has engaged in conduct which is contrary to MFDA Rule 2.1.1.

15. The MFDA has previously warned Approved Persons against signing the signatures of clients on account forms for a number of years.

> MFDA Notice #MSN-0035 dated December 10, 2004 (updated March 4, 2013), Staff's Book of Authorities, **Tab 2**.
>
> MFDA Notice #MSN-0066 dated October 31, 2007 (updated March 4, 2013), Staff's Book of Authorities, **Tab 3**.
>
> MFDA Bulletin #0661-E dated October 2, 2015, Staff's Book of Authorities, **Tab 4**.

16. Previous Hearing Panels have also held that signing a client's signature contravenes the standard of conduct under MFDA Rule 2.1.1.

> *Wu (Re)*, [2019] Hearing Panel of the Pacific Regional Council, MFDA File No. 201863, Hearing Panel Decision dated May 24,2019 at para 6, Staff's Book of Authorities, **Tab 5** ["*Zichao Wu*"].
>
> *Wu (Re)*, [2018] Hearing Panel of the Pacific Regional Council, MFDA File No. 201793, Hearing Panel Decision dated January 29, 2018 at para 17, Staff's Book of Authorities, **Tab 6** ["*Johnny Wu*"].

17. Previous Hearing Panels have further held that signing a client signature is particularly serious conduct. In the MFDA matter of *Barnai (Re*), the Hearing Panel, citing earlier decisions, summarized the principles with respect to signing client signatures (emphasis added):

> Falsifying client signatures or initials is serious misconduct. Signature falsification (like the use of pre-signed forms) adversely affects the integrity and reliability of account documents, leads to the destruction of the audit trail, has a negative impact on Member complaint handling, and has the potential for misuse in the form of unauthorized trading, fraud and misappropriation.

As a Hearing Panel of the Investment Dealers Association (now IIROC) stated in *Bell (Re):*

> **"Forgery is always serious. It is unequivocally condemned because it is fundamentally dishonest and dangerous. Any act of forgery is a step onto a steep and slippery slope of deception that is always potentially harmful to clients and actually harmful to the Member firm and the securities industry as a whole."**
>
> […]

Lamontagne (Re) reiterated the principle set out in *Bell (Re)*, but went on to state that, where warranted, hearing panels may distinguish between serious and less egregious instances of falsification:

> **"Forgery is always a serious regulatory matter because it shows that the Respondent lacks the honesty required of a professional in the securities industry … forgery often attracts severe sanctions. While there is no such thing as a "minor case" of forgery, hearing panels may distinguish between more and less egregious examples of forgery."**
>
> […]
>
> *Barnai (Re),* [2015] Hearing Panel of the Central Regional Council, MFDA File No 201325, Hearing Panel Decision dated March 17, 2015 at paras 6-8, Staff's Book of Authorities, **Tab 7**.

18. The prohibition against signing client signatures applies regardless of whether:

(a) the client was aware, or authorized the Approved Person to sign the client's signature; and

(b) the forms were used by the Approved Person for discretionary trading or other improper purposes.

19. In the present case, as stated in paragraph 4 of the Settlement Agreement, the Respondent admits that he signed the signature of 8 clients on 8 account forms and submitted the forms to the Member for processing, contrary to MFDA Rule 2.1.1.

V. THE SERIOUSNESS OF THE VIOLATION IN THIS MATTER

20. Signing a client's name is not permitted. Hearing Panels have consistently held that such action contravenes the standard of conduct under MFDA Rule 2.1.1.

21. In the case of these breaches of MFDA Rule 2.1.1 as admitted by the Respondent, we have considered the following facts in deciding whether or not to accept the Settlement Agreement as presented:

a) There is no evidence of client harm in the case;

b) None of the Respondent's clients reported any concerns to the Member after being contacted about same; and

c) There is no evidence that the Respondent received any financial benefit from engaging in the misconduct at issue beyond normal fees and commissions he would be entitled to had the transactions been properly carried out.

22. However, we also note that the Respondent has not previously been the subject of MFDA disciplinary proceedings.

23. The Respondent and Staff have agreed to the following penalties if the Settlement Agreement is accepted by the Hearing Panel:

1. The Respondent shall be prohibited from conducting securities related business in any capacity while in the employ of or associated with any MFDA Member for a period of 1 (one) year commencing upon the acceptance of the Settlement Agreement, pursuant to s. 24.1.1(e) of MFDA By-law No. 1;

2. The Respondent shall pay a fine of $1,800 in certified funds upon acceptance of the Settlement Agreement, pursuant to section 24.1.1(b) of MFDA By-law No. 1;

3. The Respondent shall pay costs of $1,800 in certified funds upon acceptance of the Settlement Agreement, pursuant to section 24.2 of MFDA By-law No. 1; and

4. The Respondent shall in the future comply with MFDA Rule 2.1.1.

24. The Hearing Panel agrees that the penalties proposed in the Settlement Agreement are consistent with those issued in previous MFDA decisions under similar circumstances. Staff highlighted the following considerations in the present case and the Panel agrees that they are valid:

Nature of the Misconduct

22. For the reasons described above, and at paragraphs 6 to 10 of Staff's written submissions, signing client signatures is a serious breach of MFDA Rule 2.1.1.

Ability to Pay

23. The Respondent is currently subject to a consumer proposal, during which he is required to make monthly payments to creditors in respect of debts he has previously incurred. The Respondent has no substantial assets of any kind. The Respondent is also currently unemployed and maintains no employment income.

24. Based on the Respondent's circumstances, he has demonstrated limited financial means and an inability to pay additional amounts towards a fine or costs. Staff has taken this information into account when agreeing to the penalty in this matter.

The Respondent's Recognition of the Seriousness of the Misconduct

25. The Respondent has acknowledged that his conduct constitutes a serious contravention of MFDA Rules. By entering into the Settlement Agreement, the Respondent has accepted responsibility for his misconduct, and has saved the MFDA the time, resources and expenses associated with a full disciplinary hearing.

The Respondent's Past Conduct Including Prior Sanctions

26. The Respondent has not previously been the subject of MFDA disciplinary proceedings.

Harm Suffered by Investors

27. There is no evidence of any lack of authorization or client loss resulting from the Respondent's conduct as described within the Settlement Agreement.

Benefits Received by the Respondent

28. There is no evidence that the Respondent received any financial benefit from his misconduct beyond any commissions and fees that he would ordinarily be entitled to receive had the transactions been carried out in the proper manner

Deterrence

29. Deterrence is intended to capture both specific deterrence of the wrongdoer as well as general deterrence of other participants in the capital markets in order to protect investors. As stated by the Supreme Court of Canada in *Cartaway Resources Corp. (Re):*

> The *Oxford English Dictionary* (2nd ed. 1989), vol. XII, defines "preventive" as "[t]hat anticipates in order to ward against; precautionary; that keeps from coming or taking place; that acts as a hindrance or obstacle". A penalty that is meant to deter generally is a penalty that is designed to keep an occurrence from happening; it discourages similar wrongdoing in others. In a word, a general deterrent is preventative. It is therefore reasonable to consider general deterrence as a factor, albeit not the only one, in imposing a sanction under s. 162. The respective importance of general deterrence as a factor will vary according to the breach of the Act and the circumstances of the person charged with breaching the Act.
>
> *Cartaway Resources Corp. (Re),* 2004 SCC 26 at para. 61, Staff's Book of Authorities, **Tab 14.** For a more general discussion, see paragraphs 52-62.

30. The proposed penalty will ensure deterrence to both the Respondent and to the mutual fund industry.

31. The proposed penalty will specifically deter the Respondent from engaging in similar activity by imposing a meaningful sanction upon the Respondent which reflects the seriousness of the misconduct at issue.

32. The proposed penalty will also act as a general deterrent by reinforcing the message that signing client signatures will not be tolerated within the mutual fund industry and will result in a both a fine and prohibition against Approved Persons who engage in this misconduct.

Previous Decisions Made in Similar Circumstances

33. The proposed penalties are consistent with the penalties imposed by MFDA Hearing Panels in previous cases as reflected in the examples cited in the chart below.

Case:	Contraventions:	Penalty:	Other Factors:
Zichao Wu, Staff's Book of Authorities, **Tab 5**.	The Respondent: • signed the signatures of 4 clients on 6 account forms and submitted the forms to the Member for processing.	**Settlement** 4 month prohibition; Fine of $5,000; Costs of $2,500.	Conduct occurred post-warning bulletin issued by MFDA. No client loss or lack of authorization. No financial benefit to the Respondent. No prior disciplinary history.

Case:	Contraventions:	Penalty:	Other Factors:
Johnny Wu, Staff's Book of Authorities, **Tab 6**.	The Respondent: • signed the signatures of 4 clients on 5 account forms.	**Settlement** 6 month prohibition; Fine of $3,500 (installments); Costs of $2,500.	Conduct occurred post-warning bulletin issued by MFDA. No client loss or lack of authorization. No financial benefit to the Respondent. No prior disciplinary history.
Hare (Re), [2018] Hearing Panel of the Central Regional Council, MFDA File No. 201670, Reasons for Decision dated March 29, 2017, Staff's Book of Authorities, **Tab 15**.	The Respondent: • falsified 8 client signatures on account forms in respect of 6 clients and, in some instances, used the forms to process transactions.	**Settlement** 12 month prohibition; Costs of $1,000.	Respondent was terminated by the Member. No client loss or lack of authorization. No financial benefit to the Respondent. No prior disciplinary history.
Bhullar (Re), [2018] Hearing Panel of the Central Regional Council, MFDA File No. 201769, Reasons for Decision dated July 20, 2018, Staff's Book of Authorities, **Tab 16**.	The Respondent: • signed seven client signatures or initials on 5 account forms in respect of 2 clients.	**Settlement** Fine of $5,000; Costs of $1,000.	Respondent had an inability to pay a greater fine. Respondent was terminated by the Member. No client loss or lack of authorization. No financial benefit to the Respondent. No prior disciplinary history.

25. After considering the submissions and upon reviewing the relevant authorities, in our opinion the Settlement Agreement negotiated between the parties is in keeping with the purpose of the MFDA Rules which are intended to enhance investor protection and to promote public confidence in the Canadian Mutual Fund Industry.

26. We believe that the penalties provided for in the Settlement Agreement are within the range of reasonableness under the circumstances, will specifically deter the Respondent, Mr. Boutilier, and will also deter others from engaging in similar misconduct, thereby protecting the investing public and fostering confidence in the Mutual Fund Industry in Canada.

27. After considering all of the above, we unanimously agree that the Settlement Agreement reached in this case was reasonable in the circumstances, is in the public interest, and is hereby accepted by this Hearing Panel pursuant to section 24.4.3 of the MFDA By-law No. 1.

DATED this 4th day of October, 2021.

"Noella Martin"
Noella Martin, Q.C.
Chair

'Darrell Bing"
Darrell Bing
Industry Representative

"Dennis Leblanc"
Dennis Leblanc
Industry Representative

Mutual Fund Dealers Association of Canada
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IN THE MATTER OF A SETTLEMENT HEARING
PURSUANT TO SECTION 24.4 OF BY-LAW NO. 1 OF
THE MUTUAL FUND DEALERS ASSOCIATION OF CANADA

Re: Chad Duart Boutilier

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. Staff of the Mutual Fund Dealers Association of Canada ("Staff") and the Respondent, Chad Duart Boutilier (the "Respondent"), consent and agree to settlement of this matter by way of this agreement (the "Settlement Agreement").

2. Staff conducted an investigation of the Respondent's activities which disclosed activity for which the Respondent could be penalized on the exercise of the discretion of the Hearing Panel pursuant to s. 24.1 of By-law No.1.

II. JOINT SETTLEMENT RECOMMENDATION

3. Staff and the Respondent jointly recommend that the Hearing Panel accept the Settlement Agreement.

4. The Respondent admits to the following violations of the By-laws, Rules or Policies of the Mutual Fund Dealers Association of Canada ("MFDA"):

> Between September 2018 and August 2019, the Respondent signed the signature of eight clients on eight account forms, and submitted the forms to the Member for processing, contrary to MFDA Rule 2.1.1.

5. Staff and the Respondent agree and consent to the following terms of settlement:

a) the Respondent shall be prohibited from conducting securities related business in any capacity while in the employ of or associated with any MFDA Member for a period of 1 year commencing from the date of this Settlement Agreement, pursuant to s. 24.1.1(e) of MFDA By-law No. 1;

b) the Respondent shall pay a fine of $1,800 in certified funds upon acceptance of this Settlement Agreement, pursuant to section 24.1.1(b) of MFDA By-law No. 1;

c) the Respondent shall pay costs of $1,800 in certified funds upon acceptance of this Settlement Agreement, pursuant to section 24.2 of MFDA By-law No. 1;

d) the Respondent shall in the future comply with MFDA Rule 2.1.1; and

e) the Respondent will attend in person, on the date set for the Settlement Hearing.

6. Staff and the Respondent agree to the settlement on the basis of the facts set out in Part III herein and consent to the making of an Order in the form attached as Schedule "A".

III. AGREED FACTS

Registration History

7. Between September 11, 2018 and October 9, 2019, the Respondent was registered in Nova Scotia as a Dealing Representative with BMO Investments Inc. (the "Member"), a Member of the MFDA.

8. On October 9, 2019, the Member terminated the Respondent and he is not currently registered in the securities industry in any capacity.

9. At all material times, the Respondent conducted business in the Dartmouth, Nova Scotia area.

The Respondent Signed Client Signatures

10. At all material times, the Member's policies and procedures prohibited Approved Persons from signing client signatures.

11. Between September 2018 and August 2019, the Respondent signed the signature of 8 clients on 8 account forms, and submitted the forms to the Member for processing.

12. The account forms consisted of 4 Non-Financial Amendment Forms, 2 Registered Education Savings Plan "RESP" Account Opening Forms, 1 Know-Your-Client "KYC" Update Form, and 1 Purchase Form.

The Member's Investigation

13. On September 18, 2019, as part of a review by the Member of the Respondent's branch, the Respondent's branch manager identified one of the account forms that are the subject of this Settlement Agreement.

14. Subsequently, the Member conducted an investigation and reviewed 54 of the Respondent's client files, during which the Member identified the remaining forms which are the subject of this Settlement Agreement.

15. In November 2019, the Member contacted or attempted to contact the affected clients to determine whether they signed the account forms described above and whether they had authorized the transactions. All the clients who the Member contacted advised the Member that they did not sign the account forms, but that they had authorized the underlying transaction. Each of these clients provided an updated signature on the deficient account forms. For one client who did not respond to the Member's inquiry, the Member has advised Staff that it will obtain an updated signature on the account form when the client next attends the branch.

Additional Factors

16. There is no evidence that the Respondent received any financial benefit from the conduct set out above beyond the commissions or fees he would ordinarily be entitled to receive had the transactions been carried out in the proper manner.

17. There is no evidence of client loss or lack of authorization.

18. The Respondent has not previously been the subject of MFDA disciplinary proceedings.

19. By entering into this Settlement Agreement, the Respondent has saved the MFDA the time, resources, and expenses associated with conducting a full hearing on the allegations.

20. The Respondent states that he has limited financial means and, as a result, he is unable to pay a monetary penalty that is greater than the total of the fine and costs amounts set out in this

Settlement Agreement. MFDA Staff have received evidence which corroborates the Respondent's statement.

IV. ADDITIONAL TERMS OF SETTLEMENT

21. This settlement is agreed upon in accordance with section 24.4 of MFDA By-law No. 1 and Rules 14 and 15 of the MFDA Rules of Procedure.

22. The Settlement Agreement is subject to acceptance by the Hearing Panel which shall be sought at a hearing (the "Settlement Hearing"). At, or following the conclusion of, the Settlement Hearing, the Hearing Panel may either accept or reject the Settlement Agreement. MFDA Settlement Hearings are typically held in the absence of the public pursuant to section 20.5 of MFDA By-law No. 1 and Rule 15.2(2) of the MFDA Rules of Procedure. If the Hearing Panel accepts the Settlement Agreement, then the proceeding will become open to the public and a copy of the decision of the Hearing Panel and the Settlement Agreement will be made available at www.mfda.ca.

23. The Settlement Agreement shall become effective and binding upon the Respondent and Staff as of the date of its acceptance by the Hearing Panel. Unless otherwise stated, any monetary penalties and costs imposed upon the Respondent are payable immediately, and any suspensions, revocations, prohibitions, conditions or other terms of the Settlement Agreement shall commence, upon the effective date of the Settlement Agreement.

24. Staff and the Respondent agree that if this Settlement Agreement is accepted by the Hearing Panel:

a) the Settlement Agreement will constitute the entirety of the evidence to be submitted respecting the Respondent in this matter;

b) the Respondent agrees to waive any rights to a full hearing, a review hearing or appeal before the Board of Directors of the MFDA or any securities commission with jurisdiction in the matter under its enabling legislation, or a judicial review or appeal of the matter before any court of competent jurisdiction;

c) Staff will not initiate any proceeding under the By-laws of the MFDA against the Respondent in respect of the facts and contraventions described in this Settlement Agreement. Nothing in this Settlement Agreement precludes Staff from investigating or initiating proceedings in respect of any facts and contraventions that are not set out in this Settlement Agreement. Furthermore, nothing in this

Settlement Agreement shall relieve the Respondent from fulfilling any continuing regulatory obligations;

d) the Respondent shall be deemed to have been penalized by the Hearing Panel pursuant to s. 24.1.2 of By-law No. 1 for the purpose of giving notice to the public thereof in accordance with s. 24.5 of By-law No. 1; and

e) neither Staff nor the Respondent will make any public statement inconsistent with this Settlement Agreement. Nothing in this section is intended to restrict the Respondent from making full answer and defence to any civil or other proceedings against the Respondent.

25. If, for any reason, this Settlement Agreement is not accepted by the Hearing Panel, each of Staff and the Respondent will be entitled to any available proceedings, remedies and challenges, including proceeding to a disciplinary hearing pursuant to sections 20 and 24 of By-law No. 1, unaffected by the Settlement Agreement or the settlement negotiations.

26. Staff and the Respondent agree that the terms of the Settlement Agreement, including the attached Schedule "A", will be released to the public only if and when the Settlement Agreement is accepted by the Hearing Panel.

27. The Settlement Agreement may be signed in one or more counterparts which together shall constitute a binding agreement. A facsimile copy of any signature shall be effective as an original signature.

DATED this 18th day of May, 2021.

"Chad Duart Boutilier"
Chad Duart Boutilier

Witness – Signature

Witness – Print Name

"Charles Toth"
Staff of the MFDA
Per: Charles Toth
Vice-President, Enforcement

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

IN THE MATTER OF A SETTLEMENT HEARING
PURSUANT TO SECTION 24.4 OF BY-LAW NO. 1 OF
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Re: Chad Duart Boutilier

ORDER

WHEREAS on [date], the Mutual Fund Dealers Association of Canada (the "MFDA") issued a Notice of Settlement Hearing pursuant to section 24.4 of MFDA By-law No. 1 in respect of Chad Duart Boutilier (the "Respondent");

AND WHEREAS the Respondent entered into a settlement agreement with Staff of the MFDA, dated [date] (the "Settlement Agreement"), in which the Respondent agreed to a proposed settlement of matters for which the Respondent could be disciplined pursuant to ss. 20 and 24.1 of MFDA By-law No. 1;

AND WHEREAS the Hearing Panel is of the opinion that between September 2018 and August 2019, the Respondent signed the signature of eight clients on eight account forms, and submitted the forms to the Member for processing, contrary to MFDA Rule 2.1.1.

IT IS HEREBY ORDERED THAT the Settlement Agreement is accepted, as a consequence of which:

5. the Respondent shall be prohibited from conducting securities related business in any capacity while in the employ of or associated with any MFDA Member for a period of 1 year

commencing upon the acceptance of the Settlement Agreement, pursuant to s. 24.1.1(e) of MFDA By-law No. 1;

6. the Respondent shall pay a fine of $1,800 in certified funds upon acceptance of the Settlement Agreement, pursuant to section 24.1.1(b) of MFDA By-law No. 1;

7. the Respondent shall pay costs of $1,800 in certified funds upon acceptance of the Settlement Agreement, pursuant to section 24.2 of MFDA By-law No. 1;

8. the Respondent shall in the future comply with MFDA Rule 2.1.1; and

9. If at any time a non-party to this proceeding, with the exception of the bodies set out in section 23 of MFDA By-law No. 1, requests production of or access to exhibits in this proceeding that contain personal information as defined by the MFDA Privacy Policy, then the MFDA Corporate Secretary shall not provide copies of or access to the requested exhibits to the non-party without first redacting from them any and all personal information, pursuant to Rules 1.8(2) and (5) of the MFDA *Rules of Procedure*.

DATED this [day] day of [month], 20[ ].

Per: _____
[Name of Public Representative], Chair

Per: _____
[Name of Industry Representative]

Per: _____
[Name of Industry Representative]

DM 838314