



**CIRCULAR**  
April 15, 2003

**DISCIPLINARY DECISION**  
**JEAN-YVES RENAUD**

On August 2, 2002, following an investigation conducted by the Investigation Department of the Regulatory Division, Bourse de Montréal Inc. (the "Bourse") lodged a complaint against Jean-Yves Renaud, a person approved by the Bourse.

By way of an offer of settlement presented and approved by the Special Committee – Regulatory Division, Jean-Yves Renaud has agreed to pay a fine of \$3,500 and has agreed to pay the cost of the investigation in the amount of \$2,500.

Jean-Yves Renaud has recognized having contravened to paragraph 3 of article 7411 and to article 7476 of the Rules of the Bourse.

Paragraph 3 of article 7411 of the Rules of the Bourse prohibits registered representatives from executing a discretionary order or exercising any discretion in the handling of an account of a client of an approved participant. Specific provisions on discretionary accounts are set out in article 7476 of the Rules of the Bourse. This article provides, among other things, that no registered representative must exercise any discretionary power with respect to a client's account unless such client has given prior written authorization and the account has been accepted in writing by a partner or a director of the firm.

On or about May 18, 2001, Jean-Yves Renaud made a discretionary transaction when he purchased bonds from Export Development Corporation 5.5 percent due May 30, 2002, for a total amount of \$8,000 and this, without the client's prior written authorization and without the account having been accepted as a discretionary account by the firm. This transaction occurred following redemption by the same issuer, Export Development Corporation, of bonds 6.1 percent due May 2, 2001 held in the client account. After attempting in vain to contact his client, Jean-Yves Renaud bought bonds of same quality and from the same issuer for the account of his client without his prior authorization.

In the assessment of the appropriate sanction, it was taken into account that the discretionary transaction was cancelled without delay and that the client did not suffer any losses.

Circular no.: 048-2003

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At the time of this contravention, Jean-Yves Renaud was a registered representative and branch manager of National Bank Financial Inc.

Following a review of the facts and circumstances revealed during the investigation, the Regulatory Division has concluded that there were no grounds for any disciplinary action against National Bank Financial Inc.

For further information, please contact David Desjardins, Legal Counsel, Regulatory Division, at (514) 871-4949, extension 361, or by e-mail at [ddesjardins@m-x.ca](mailto:ddesjardins@m-x.ca).

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