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CIRCULAR
April 5, 2005

**DISCIPLINARY DECISION
PAUL ROBERT**

On November 13, 2003, following an investigation made by the Investigation Department of the Regulatory Division, Bourse de Montréal Inc. (the Bourse) filed a complaint against Paul Robert, a person approved by the Bourse.

Following a hearing, the Disciplinary Committee of the Bourse (the Committee) issued a decision imposing to Paul Robert a fine of \$25,000 and requiring that he refunds the total costs and expenses, including professional fees, paid or incurred by the Bourse for an amount of \$8,096. In addition, Paul Robert has been permanently prohibited to be approved in any capacity for an approved participant of the Bourse.

The Disciplinary Committee concluded that during the period from August 12, 2002 to November 9, 2002 Paul Robert contravened article 4101 of the Rules of the Bourse.

Subparagraph a) ii) of article 4101 of the Rules of the Bourse prohibits any act, conduct, practice or proceeding unbecoming an approved person, inconsistent with just and equitable principles or detrimental to the reputation of the Bourse or to the interests or welfare of the public or of the Bourse.

During the above-mentioned period, Paul Robert, while being registered as a representative and officer for National Bank Financial Inc. (NBF), used its position as a compliance analyst responsible for the daily monitoring of clients accounts to gain illicit access to personal information relating to inactive accounts and more particularly on an account that had been inactive for a few years and whose holder could not be traced. Pending the eventual transfer of its assets, as required by law, to the Curateur public du Québec, this account, which had a cash balance of \$16,190.98, was under the responsibility of National Bank Correspondent Network (NBCN), a subsidiary of FBN.

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Paul Robert impersonated the holder of the account and manoeuvred to fraudulently misappropriate the funds. Using illicitly obtained personal information on the holder of the inactive account, Paul Robert communicated by phone with NBCN customers' services falsely presenting himself as being the holder of the account and attempted to misappropriate a part of the balance, that is \$4,000. Thereafter, always under false representations, he asked NBCN to close the account and attempted to claim the total balance of the account.

He succeeded to have NBCN issue two cheques to the order of the account and to forward them to a false address. However, he was unable to take possession of these cheques as he expected to. After further actions, he succeeded in having a third cheque issued and being able to take possession of it.

Once the cheque in his possession, Paul Robert presented himself to a cashiering services provider with a false driver's licence identifying him as being the beneficiary of the cheque and indicating a false address that he had given to NBCN. The provider's employee, suspecting some irregularity, called the police who came to arrest Paul Robert and imprisoned him. Later on, he was charged with fraud attempt and use of forgery.

Paul Robert was dismissed by NBF shortly after having been charged.

In its analysis, the Committee considered the amount involved, the fact that the fraudulent acts of Paul Robert were among the most serious that exist for an approved person and that his acts and deeds were planned and carried on over a period of many months thus showing a very clear determination to carry his project to completion. There was even a gradation of the fraudulent maneuvers as he initially attempted to misappropriate \$4,000 and later on the total balance of the account. He even used the services of an accomplice to obtain false identification documents in order to complete the misappropriation of the funds under the custody of NBCN. The Committee also considered that Paul Robert position as a compliance analyst with NBF as an aggravating factor. While in such position Paul Robert should have acted as a guardian of the compliance with legality and with the justice and fairness principles governing the securities industry, he rather took advantage from his position to abuse the trust of his employer and of the public.

The Committee also tempered its analysis by taking into account the fact that Paul Robert had finally not succeeded to misappropriate the account holder funds and that, as a consequence, neither the account holder nor his assigns had incurred a loss. The Committee also took into account the absence of disciplinary history for Paul Robert, the fact that he had been dismissed by his employer and that the reasons for his dismissal would follow him for a significant part of his career and, finally, that he had cooperated with his former employer and with the personnel of the Bourse all along the disciplinary process.

Paul Robert is not currently employed in the securities industry.

Based on the facts and circumstances disclosed during the investigation, the Regulatory Division of the Bourse determined that there was no cause for initiating disciplinary complaints against NBF.

To access the full text version of the Committee, please refer to the following link: http://www.m-x.ca/f_publications_fr/050215_decision_disciplinaire_02_fr.pdf (available in French only).

For further information, please contact Jacques Tanguay, Vice-President, Regulatory Division, at (514) 871-3518 or by e-mail at jtanguay@m-x.ca.

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