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<input type="checkbox"/>	Négociation - Dérivés sur actions et indices	<input type="checkbox"/>	Technologie
<input type="checkbox"/>	Back-office - Contrats à terme	<input checked="" type="checkbox"/>	Réglementation

CIRCULAR
March 29, 2006

**RETENTION OF THE BOURSE'S JURISDICTION ON
FORMER APPROVED PARTICIPANTS, APPROVED PERSONS OR
RESTRICTED TRADING PERMIT HOLDERS**

AMENDMENTS TO ARTICLE 4101

The Special Committee — Regulatory Division of Bourse de Montréal Inc. (the Bourse) has approved amendments to article 4101 of the Rules of the Bourse, which deal with the retention of the Bourse's jurisdiction on former approved participants, approved persons or restricted trading permit holders. These amendments are effective immediately.

The objective of these amendments is to subject a former approved participant, approved person or restricted trading permit holder to the jurisdiction of the Bourse, for a period of thirty-six (36) months from the date they have ceased to be an approved participant, approved person or restricted trading permit holder, even for acts or omissions that take place after this date.

For further information, please contact Mr. Francis Larin, Director and Legal Counsel, Regulatory Division at (514) 871-3516, or by e-mail at flarin@m-x.ca.

Joëlle Saint-Arnault
Vice-President, Legal Affairs and Secretary

Circular no.: 061-2006
Amendment no.: 004-2006

4101 Complaints

(11.03.85, 11.03.92, 15.03.05, 29.03.06)

- a) The Bourse, an approved participant, an approved person or a restricted trading permit holder may, in accordance with the procedures provided in articles 4151 and following, file a complaint against an approved participant, an approved person or a restricted trading permit holder, in respect of:
- i) a breach of the regulations of the Bourse;
 - ii) any act, conduct, practice or proceeding unbecoming an approved participant of the Bourse, an approved person or a restricted trading permit holder, inconsistent with just and equitable principles of trade, or detrimental to the reputation of the Bourse or to the interests or the welfare of the public or of the Bourse,

whether or not such act, conduct or proceeding is related to dealings or transactions on the Bourse.

- b) The Bourse may also file a complaint of the type described in paragraph a) above against a former approved participant, approved person or restricted trading permit holder, provided an originating notice is served on such person within thirty six (36) months from the date upon which the person ceased to be an approved participant, an approved person or a restricted trading permit holder.

This provision is in addition to the powers the Bourse may hold and choose to exercise pursuant to powers delegated by a securities commission.

- c) Without in any way limiting the generality of the foregoing, the following actions of an approved participant, approved person or restricted trading permit holder shall be deemed an act, conduct, practice or proceeding covered by sub-paragraph a) ii) of the present article:
- i) misleading or attempting to mislead the Bourse on any material point;
 - ii) breaching any statute or regulation related to the trading of securities or derivative instruments;
 - iii) indiscriminate or improper solicitations of orders, either by telephone or otherwise;
 - iv) using high pressure or other sales tactics of a character considered undesirable according to the standards of the industry;
 - v) using or knowingly participating in the use of any manipulative or deceptive methods of trading, including those set out in article 6306 of the Rules of the Bourse;
 - vi) breaching any provisions of the Code of Ethics and Conduct for Registered Representatives, included in the Conduct and Practices Handbook Course, published by the Canadian Securities Institute.
- d) The Disciplinary Committee or the Special Committee shall, in accordance with this Rule, decide whether an act, conduct, practice or proceeding is of the sort described in sub-paragraph a) ii) of the present article.