

<input type="checkbox"/>	Trading – Interest Rate Derivatives	<input type="checkbox"/>	Back-office - Options
<input type="checkbox"/>	Trading – Equity and Index Derivatives	<input type="checkbox"/>	Technology
<input type="checkbox"/>	Back-office – Futures	<input checked="" type="checkbox"/>	Regulation
		<input type="checkbox"/>	MCeX

CIRCULAR
May 14, 2010

DISCIPLINARY DECISION

DANIEL CUTTS

On March 1, 2010, following an investigation conducted by its Regulatory Division, Bourse de Montréal Inc. (the Bourse) filed a complaint against Mr. Daniel Cutts, an approved person of the Bourse and employee of Newedge Canada Inc.

Between June 19 and August 14, 2008 and on September 3, 2009, Daniel Cutts did not comply with the chronological priority of orders while executing ten (10) cross transactions on equity and index options. Mr. Cutts recognized that he contravened article 6380 of the Rules of the Bourse and the applicable Procedures, which stipulate amongst other that chronological priority of orders must be respected, with regards to the posting of the originating order first when executing a cross transaction.

By way of an offer of settlement approved on May 4, 2010 by the Special Committee — Regulatory Division, Daniel Cutts has agreed to pay a fine of \$15,000 and an amount of \$5,000 for costs.

Mr. Cutts did not have any prior disciplinary record with the Bourse. Furthermore, following the review of the findings of the investigation, the Regulatory Division has concluded that there were no grounds for disciplinary action against Newedge Canada Inc. in this matter.

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.

Jacques Tanguay
Vice-President, Regulatory Division

Circular no.: 063-2010