



**TO: Approved Participants**

**June 10, 2002**

**DISCIPLINARY DECISION  
CHARLES ATHOL GORDON**

On March 14, 2002, following an investigation conducted by the Regulatory Division, Bourse de Montréal Inc. (the "Bourse") lodged a complaint against Charles Athol Gordon, an approved person of the Bourse.

By way of an offer of settlement, Charles Athol Gordon has agreed to pay a fine of \$30,000 and to reimburse the cost of the investigation in the amount of \$3,050. Furthermore, Mr. Gordon will be under supervision by the firm MacDougall, MacDougall & MacTier Inc for a six-month period.

Charles Athol Gordon has recognized having contravened to article 4101 and to paragraph 3 of article 7411 of the Rules of the Bourse.

Article 4101 of the Rules of the Bourse prohibits approved persons from engaging in any act, conduct, practice and proceeding unbecoming an approved person of the Bourse, inconsistent with just and equitable principles of trade, or detrimental to the reputation of the Bourse or to the interest or the welfare of the public or of the Bourse.

During the period of December 1995 to December 1996, Charles Athol Gordon engaged in a conduct inconsistent with just and equitable principles of trade by recommending to two clients, transactions which did not correspond to their investment objectives.

Charles Athol Gordon recommended to the first client four securities purchase transactions that did not correspond to the client's investment objectives given their nature, the portfolio's composition at the date of the purchases and client's limited knowledge in investment matters.

Charles Athol Gordon recommended to the second client four securities purchase transactions that did not correspond to the client's investment objectives given their nature, the portfolio's composition at the date of the purchases and client's limited knowledge in investment matters.

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 managed accounts are listed in article 7478. This article mentions, among other things, that no person must exercise any discretionary

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authority with respect to a managed account unless the individual who is responsible for the management of such account has been designated as portfolio manager, the client has given prior written authorization to the approved participant to manage the account and the account has been accepted in writing by a partner, director or officer of the approved participant.

During the period of March to December 1996, Charles Athol Gordon made eight discretionary transactions in the account of the second client without client's prior written authorization to manage the account, as stipulated in article 7478 of the Rules of the Bourse, and without the acceptance of MacDougall, MacDougall & MacTier Inc. of this managed account.

At the time of these violations, Charles Athol Gordon was a registered representative, registered options representative, portfolio manager and director of MacDougall, MacDougall & MacTier Inc.

Following a review of the findings of the investigation, the Regulatory Division has also lodged a disciplinary complaint against MacDougall, MacDougall & MacTier Inc. and an offer of settlement was accepted by the Special Committee – Regulatory Division (see circular no. 082-2002 dated June 10, 2002).

For further information, please contact Catherine Lefebvre, Legal Counsel and Supervisor of Registration and Disciplinary Affairs, Regulatory Division, at (514) 871-4949, extension 497, or by e-mail at [clefebvre@m-x.ca](mailto:clefebvre@m-x.ca).

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