



TO: Approved Participants

September 6, 2002

DISCIPLINARY DECISION

On May 30, 2002, following an investigation conducted by the Regulatory Division, Bourse de Montréal Inc. lodged a complaint against André Clément, a person approved by the Bourse.

By way of an offer of settlement, André Clément has agreed to pay a fine of \$5,000 and has agreed to pay the cost of the investigation in the amount of \$3,000. Furthermore, Mr. Clément will be under supervision for six months. Finally, Mr. Clément will have to complete the exam on The Conduct and Practices Handbook Course and this, no later than March 4, 2003.

André Clément 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 listed in article 7476. 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 February 7, 1997, André Clément made a discretionary transaction when he purchased 1,000 shares of Potash Corporation of Saskatchewan Inc. for a total amount of \$79 163 USD 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 was intended to cover a short position in the client's account and generated a profit of \$4,261 USD for the client.

At the time of this contravention, André Clément was a registered representative of Lévesque Beaubien Geoffrion Inc. (now National Bank Financial Inc.).

Following a review of the findings of 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 d-desjardins@m-x.ca.

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Vice-President, Regulatory Division

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