

<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

CIRCULAR
December 21, 2005

**DISCIPLINARY DECISION
CHRISTIAN CÔTÉ**

On October 13, 2005, following an investigation conducted by the Regulatory Division, Bourse de Montréal Inc. (the Bourse) lodged a complaint against Christian Côté who was, when the reproached facts occurred, a person approved by the Bourse.

By way of an offer of settlement approved by the Special Committee – Regulatory Division, Christian Côté has agreed to pay a fine of \$15,000 and the costs of the investigation in the amount of \$5,000. Furthermore, Mr. Côté will have to complete the examination on The Conduct and Practices Handbook Course, no later than June 19, 2006.

Christian Côté admitted having contravened paragraph 3 of article 7411 (now paragraph 3 of article 7412) and article 7476 of the Rules of the Bourse pertaining to discretionary accounts.

Articles 7412 and 7476 of the Rules of the Bourse prohibit a registered representative from executing a discretionary order or exercising any discretion in the handling of an account of a client of an approved participant, unless such client has given prior written authorization and the account has been accepted in writing by a duly designated partner or director of the approved participant.

From May 2000 to February 2002, Christian Côté had, on his own initiative, forty-eight (48) transactions executed in the account of a client, without the account having been accepted in writing as a discretionary account by a duly designated partner or director of the approved participant, and without the client's prior written authorization, as required by the Rules of the Bourse.

At the time of these violations, Christian Côté was a registered representative of Desjardins Securities Inc.

Circular no.: 193-2005

Following a review of the facts and circumstances revealed during the investigation, the Regulatory Division has concluded that there were no grounds for disciplinary action against Desjardins Securities Inc.

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

Jacques Tanguay
Vice-President, Regulatory Division