

CANADA

IN THE MATTER OF

PROVINCE OF QUEBEC

**Bourse de Montréal Inc.,
“Bourse”**

and

**The Kyte Group Limited, an
approved participant of the
Bourse
“Respondent”**

Panel: Me Douglas J. Simsovic (Chair)
Mrs. Éline Cousineau Phénix (Member)
Mrs. Louise Lebel-Chevalier (Member)

DISCIPLINARY COMMITTEE DECISION

1. On June 3, 2013, the Regulatory Division of the Bourse issued a disciplinary complaint against the Respondent, alleging certain breaches of the Rules of the Bourse (the “Complaint”).
2. The Complaint specifically alleges that the Respondent, during the period from October 3 2011 to September 3 2012, contravened articles 6654 *“Reports Relating to Position Limits”* and 14102 *“Reports Pertaining to the Accumulation of Positions for Derivative Instruments”* of the Rules of the Bourse when it did not file the Bourse the required reports in the required form relating to positions exceeding the applicable reporting threshold (“Dispute”).
3. On June 19, 2014 the Bourse and the Respondent agreed to an offer of settlement (“**Offer of Settlement**”) with respect to the Dispute.
4. A hearing before this Disciplinary Committee was held on September 29, 2014 (the “**Hearing**”), at the Bourse, in order to approve or disapprove the Offer of Settlement.
5. The Members of this Disciplinary Committee each made a solemn affirmation indicating that there was no cause for recusal, pursuant to article 4104 of the Rules of the Bourse.
6. Both parties had representation and were heard at the Hearing.
7. The Bourse was represented by its attorney and the Respondent by its London based in-house counsel.

FACTS

8. The Respondent relied, justifiably, on its clearing firm to file the required reports.
9. During the course of its investigations, the Bourse became aware that the Respondent had failed to report client positions which exceeded the reporting threshold during an 11 month period.
10. The Respondent was made aware of the failure by the Bourse, believing all the while that its clearing firm was doing the reporting.
11. Upon learning of the reporting issue, the Respondent acted and continued to act in a cooperative manner with the Bourse and corrected the problem as soon as it could.
12. The Respondent has recognised it breached the Rules of the Bourse.
13. The Respondent did not have any prior disciplinary record with the Bourse.

Decision

GIVEN the facts above, the precedents reviewed, that the Respondent was cooperative, that the Respondent had no other disciplinary matters and the recommended penalty is reasonable;

APPROVES the Offer of Settlement;

FINDS that the Respondent contravened articles 6654 "*Reports Relating to Position Limits*" and 14102 "*Reports Pertaining to the Accumulation of Positions for Derivative Instruments*" of the Rules of the Bourse when it did not file the Bourse the required reports in the required form relating to positions exceeding the applicable reporting threshold.

RULES that Respondent shall pay to the Bourse a fine of \$17,000 and an additional amount of \$6,000 for the related costs within thirty (30) days of the present decision.

Duly executed in Montréal, Province of Québec, this 17th day of October 2014.

(s) Douglas J. Simsovic

Douglas J. Simsovic

Chair of the Disciplinary Committee

(s) Éline Cousineau Phénix

Éline Cousineau Phénix

Member of the Disciplinary Committee

(s) Louise Lebel-Chevalier

Louise Lebel-Chevalier

Member of the Disciplinary Committee