

<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
March 2, 2007

**DISCIPLINARY DECISION
MAN FINANCIAL CANADA CO.,
WILLIAM EDMOND JESSUP AND LOUIS PAUL PAPAILIAS**

On December 19, 2006, following an investigation conducted by its Regulatory Division, Bourse de Montréal Inc. (the Bourse) filed a complaint against Man Financial Canada Co. (MAN)¹, an approved participant of the Bourse, and against William Edmond Jessup and Louis Paul Papailias, both approved persons of the Bourse and employees of MAN at the time of the infractions.

MAN, William Edmond Jessup and Louis Paul Papailias recognized that they contravened paragraph 3) of article 6380 of the Rules of the Bourse, which stipulates that it is forbidden to use the hidden quantity functionality of the electronic trading system of the Bourse to execute a cross transaction or a prearranged transaction.

On June 22, 2005, Mr. Jessup and Mr. Papailias used the hidden quantity functionality of the electronic trading system of the Bourse to execute two cross transactions on Ten-year Government of Canada Bond futures contracts (CGB).

On two occasions, in January and April 2004, MAN had already been subjected to a warning from the Bourse pertaining to the use of the hidden quantity functionality to execute cross transactions.

On or about June 1, 2004, MAN informed its futures contract traders accordingly, including Mr. Jessup and Mr. Papailias.

By way of an offer of settlement approved by the Special Committee — Regulatory Division, the involved parties accepted that the following sanctions be imposed to them:

- MAN will pay a fine of \$20,000 and reimburse the costs of the investigation in the amount of \$5,000;

Circular no.: 038-2007

¹ On the date of the infraction, the name of the approved participant was Refco Futures (Canada) Ltd.

- William Edmond Jessup will pay a fine of \$10,000 and reimburse the costs of the investigation in the amount of \$1,000;
- Louis Paul Papailias will pay a fine of \$10,000 and reimburse the costs of the investigation in the amount of \$1,000.

William Edmond Jessup and Louis Paul Papailias did not have any prior disciplinary record with the Bourse, and are no longer employed by MAN.

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