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The AMF Enforcement Committee sanctions a media company and its director for making investment recommendations without mentioning conflicts of interest and for price manipulation

In its decision of 4 March 2022, the Enforcement Committee fined Le Quotidien de Paris Editions and its director and editor, Nicolas Miguet, €600,000 and €200,000 respectively. However, the Committee exonerated Nicolas Miguet & Associés, which had been accused of price manipulation.

In issues of the La Bourse newsletter published in October and November 2017, two articles featured a company specialising in the design and marketing of optical biopsy devices and tools, listed on Compartment C of Euronext Paris. In these articles, the author, Nicolas Miguet, recommended purchasing shares in this company. The La Bourse is a weekly newsletter published by Le Quotidien de Paris Editions, a media company 99.89% owned by Nicolas Miguet & Associés, both of which are managed by Nicolas Miguet.

Objections relating to investment recommendations

The Enforcement Committee found that these two articles could be classified as investment recommendations within the meaning of the European Market Abuse Regulation. It also found that Nicolas Miguet and Le Quotidien de Paris Editions had committed a regulatory breach by failing to take reasonable care to ensure that the investment recommendations disclosed conflicts of interest.

The Committee noted that prior to the publication of the first investment recommendation, Le Quotidien de Paris Editions and Nicolas Miguet & Associés had each acquired 125,000 shares in the company, and that after the publication of the first recommendation, each of these two companies sold 50,000 shares. When the second recommendation was published, each company therefore still had 75,000 shares.

The Committee considered that this holding of securities by persons closely associated to the author (Nicolas Miguet) of the investment recommendations for this same security, on the dates the two recommendations in question were published, constituted a situation of conflict of interest. However, it noted that at the time of the event, the online version of the disputed recommendations did not mention anything about the composition of Le Quotidien de Paris Editions' portfolio or the existence of any conflict of interest.

The Enforcement Committee also found that Nicolas Miguet, in his capacity as an "expert", had failed to include several mandatory elements in his two recommendations. However, it dismissed the objection against Le Quotidien de Paris Editions of failing to mention the date and time of first publication, since this can only be levelled against a publisher of an investment recommendation produced by a third party, which the company is not. Similarly, it dismissed an alleged failure by Nicolas Miguet to clearly and apparently disclose his identity.

Objections relating to price manipulation

The Enforcement Committee considered that Le Quotidien de Paris Editions and Nicolas Miguet were guilty of manipulating the share price by using a fictitious device or any other form of deception or contrivance, since publishing an investment recommendation without mentioning the conflict of interest was a form of deception and the recommendation had influenced the share price. However, the Committee dismissed the same objection against Nicolas Miguet & Associés, which was neither the producer nor the distributor of the disputed investment recommendation.

The Committee then considered that Le Quotidien de Paris Editions and Nicolas Miguet were also guilty – although this should not constitute a separate breach – of manipulating the share price by taking advantage of access to the media, issuing an opinion on this financial instrument after taking positions on it, and profiting subsequently from the impact of this opinion on the price of this instrument, without having simultaneously disclosed that conflict of interest to the public in a proper and effective way.

Sanctions

In assessing the sanctions imposed on Le Quotidien de Paris Editions and Nicolas Miguet, the Enforcement Committee took into account, among other things, the multiple and particularly serious breaches of the regulations. Their actions had adversely affected investor information and the failure to disclose conflicts of interest was all the more serious because it led to share price manipulation and therefore disruption of the proper functioning of the market. At the same time, it provided Le Quotidien de Paris Editions with a profit of €71,905 on the sale of its shares. The Commission also noted that Nicolas Miguet had already been sanctioned twice for regulatory breaches similar to those of the present proceedings.

An appeal may be lodged against this decision.

Appeals lodged by Le Quotidien de Paris Editions and Nicolas Miguet before the Paris Court of Appeal against decision SAN-2022-02

By judgment of 2 February 2023 (No. 22/07870), the Paris Court of Appeal ruled that the appeals lodged by Le Quotidien de Paris Editions and Mr Nicolas Miguet against the Enforcement Committee's decision of 4 March 2022 were inadmissible.

About the Enforcement Committee

The Enforcement Committee, which is made up of judges and professionals, has total freedom to make decisions. It can impose sanctions on any person or company whose practices contravene laws and regulations that fall within the jurisdiction of the AMF. It ratifies settlement agreements signed by the Secretary General and respondents. And it takes part in the AMF's educational efforts by clarifying financial regulations when explaining its decisions.

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SAN-2022-02 - Décision de la Commission des sanctions du 4 mars 2022 à l'égard des sociétés Quotidien de Paris Editions, Nicolas Miguet & Associés et de M.

📄 Nicolas Miguet (In French only)

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