### By Special Messenger

#### SEC/Enforcement/358/2005/686

December 19, 2005

Dynamic Securities Consultants Limited Depository Participant (DP) DSE Member No. 126 Room # 604, DSE Building 9F, Motijheel C/A Dhaka-1000

# Attention: Managing Director/Chief Executive Officer

# Subject: Non-compliance of securities laws - WARNING

It appeared from the copy of letter dated August 1, 2005 of Central Depository Bangladesh Limited, addressed to the Managing Director of Dynamic Securities Consultants Limited, that in your House there had been balance of 250 shares of Southeast Bank Limited on July 31, 2005, i.e. on record date, in the Clearing Account which means you did not make timely payout to your clients' account depriving the clients the benefits arising from the corporate action.

The Commission, in exercise of its power conferred by section 14 of WCwRUwi AvBb, 1999, has issued a directive vide No. SEC/CDS/2:22/99/187 dated July 18, 2004, to all concerned to ensure, among others, to the effect "P) †i KW<sup>Q</sup>tW<sup>‡</sup>U †Kvb WCwRUwi AskMhbKvi x wKqwi s wnmv‡e (Clearing Account) D<sup>3</sup> †Kv¤úvbxi †Kvb wmwKDwi wU i vL‡Z cvi ‡eb bvÓ.

It appeared that by doing so, Dynamic Securities Consultants Limited (DP) has contravened the above directive of the Commission.

The Depository Participant's aforementioned non-compliance/contravention appeared to be deliberate attracting penal provision of section 14(2) of the WCwRUwi AvBb, 1999.

A show-cause-cum hearing notice No.SEC/Enforcement/358/2005/482 dated September 13, 2005 was issued to you under said section 14(2) of the WCwRUwi AvBb, 1999 to appear for hearing for above said non-compliance/contravention, along with written explanation, on September 19, 2005.

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The DP in a written statement dated September 19, 2005 has mentioned that due to technical problem in computer they could not transfer the shares in question in due time. They had brought the matter to the DSE's attention. The DP has further submitted papers mentioning that it has already paid out the concerned shares, including the bonus shares to the client concerned.

The Commission, considering your admission of default, paying out the concerned shares to the client and assurance of future compliance with the securities laws, has decided to dispose of the proceedings against you by placing on record the Commission's dissatisfaction on the defaults/contraventions made by you, with a warning to ensure compliance of all securities related laws in future.

Please note that this disposal does not absolve you from your lawful responsibilities/obligations to any person, if affected as a result of your above said defaults.

For the Securities and Exchange Commission

Mansur Alam Executive Director

<u>Distribution:</u> Chief Executive Officer, Dhaka Stock Exchange Ltd. Chief Executive Officer, Central Depository Bangladesh Limited

<u>Copy for information:</u> Executive Director (R&D), SEC Executive Director (CDS), SEC Executive Director (Registration), SEC Director (MIS), SEC Chairman's Office, SEC

Mansur Alam Executive Director