

SEC/Enforcement/358/2005/688

By Special Messenger

December 19, 2005

PFI Securities Limited  
Depository Participant (DP)  
DSE Member No. 79 & CSE Member No. 95  
63, Dilkusha C/A (7<sup>th</sup> Floor)  
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 Authorised Person of PFI Securities Limited, that in your House, there had been balance of 750 & 950 shares of Southeast Bank Limited on July 31, 2005, i.e. on record date, in the DSE and CSE Clearing Accounts 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 the Securities and Exchange Commission Act, 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) তি KW†W†U †Kvb WWC†RU†i AskMhbK†ix †K†q†i s †nm††e (Clearing Account) D<sup>3</sup> †Kv†úv†xi †Kvb †m†KD†i†U i†v†Z†Z cvi †eb†b†0.

It appeared that by doing so, PFI Securities 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 Securities and Exchange Commission Act, 1999.

A show-cause-cum hearing notice No. SEC/Enforcement/358/2005/484 dated September 13, 2005 was issued to you under said section 14(2) of the Securities and Exchange Commission Act, 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 No.PFISL/SEC/05/507 dated September 19, 2005 submitted at the time of hearing held on September 19, 2005 has mentioned, among others, that due to inadvertent mistakes it failed to pay out 750 & 950 shares of Southeast Bank Limited from its clearing account. The DP has further mentioned 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

Distribution:

Chief Executive Officer, Dhaka Stock Exchange Ltd.  
Chief Executive Officer, Chittagong Stock Exchange Ltd.  
Chief Executive Officer, Central Depository Bangladesh Limited

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Executive Director (CDS), SEC  
Executive Director (Registration), SEC  
Director (MIS), SEC  
Chairman's Office, SEC

Mansur Alam  
Executive Director