

SEC/Enforcement/339/2005/1092  
October 8, 2006

By Courier Service

Mr. Mujibor Rahman  
Sponsor/Director of Midas Financing Limited  
"Everest"  
KA-1, Lichubagan Road, Joarshara  
Dhaka.

**Sub: Non-compliance with securities related laws: Warning**

The Commission instituted an inspection vide Order No. SEC/Surveillance/2003-0157/061 dated June 22, 2005 (copy attached) to visit and inspect the books and records of Country Stock (Bangladesh) Limited, Kabir Ahmed & Co., Haji Ahmed Brothers and AB Bank Merchant Banking Wing regarding share trading of Midas Financing Limited on June 25, 2005 wherefrom it appeared, among others, that you have:-

- (i) opened two investors discretionary accounts with AB Bank Limited (ABBL), Merchant Banking Wing on September 7, 2003, one in single (Client ID 1184) and another jointly with your wife Ms. Rezbina Rahman (Client ID 1335), and that you are the operator of both the accounts;
- (ii) bought 64,000 shares and sold 64,000 shares of Midas Financing Ltd. on June 18, 2005 through Country Stock (Bangladesh) Limited, Kabir Ahmed & Company and Haji Ahmed Brothers by using two ID accounts without giving any declaration required for the sponsor/directors as per Commission's Notification No. SEC/SRMID/2000/953/313/Admin-06 dated March 25, 2001 for the purpose of personal unlawful gain and/or dictating the market as well as the investors;
- (iii) concealed the fact of your association as sponsor of Midas Financing Limited at the specific area of such declaration in the account opening form of IDA clients code No 184 & 335 of ABBL, Merchant Banking Wing;

Your aforesaid activities appeared to be deliberate and clear contravention of Commission's said Notification, which attract appropriate sections including section 17 of the Securities and Exchange Ordinance, 1969;

Show cause cum hearing notice No. SEC/Enforcement/339/2005/668 dated December 14, 2005 was issued for written explanation for the alleged contravention and also for providing an opportunity of being heard. The hearing was held on March 1, 2006.

You appeared at the hearing and submitted a letter dated March 01, 2006 mentioning, among others, that you purchased the shares prior to becoming a director of Midas Financing Limited on October 10, 2004 and transferred 64,000 shares from your individual A/C to the joint account you maintained with your wife, with the intention to create additional purchasing power of the accounts maintained with A.B Bank (Merchant Banking Wing)

The Commission, considering the submissions made by you, has decided to dispose off the proceedings against it, for the stated contravention, by placing on record the Commission's dissatisfaction on the defaults 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 the persons, if any, affected as a result of your above said defaults.

For and on behalf of  
the Securities and Exchange Commission

(Mansur Alam)  
Executive Director

CC:  
Executive Director (R&D), SEC  
Executive Director (Surveillance), SEC  
Executive Director (SRMID), SEC  
Director (MIS), SEC  
Chairman's Office, SEC