By Special Messenger

SEC/Enforcement/349/2005/691 December 19, 2005

LRK Securities Limited Depository Participant (DP) DSE Member No. 26 Modhumita Building 160, Motijheel Dhaka-1000

Attention: Managing Director/Chief Executive Officer

Subject: Non-compliance of securities laws - WARNING

It appeared from the copy of letter dated July 25, 2005 of Central Depository Bangladesh Limited, addressed to the Managing Director of LRK Securities Limited, that in your House, there had been balance of 50 shares of Exim Bank Limited on July 24, 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^QW¹U †Kvb WCwRUwi AskMhbKvi x uKqwi s wnmv‡e (Clearing Account) D³ †Kv¤úvbxi †Kvb wmwKDwi wU i vL‡Z cvi ‡eb bvÓ.

It appeared that by doing so, LRK 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 WCwRUwi AvBb, 1999.

A show-cause-cum hearing notice No.SEC/Enforcement/349/2005/487 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 28, 2005.

Contd.....P/2

Page-2

The DP in a written statement dated September 28, 2005 submitted at the time of hearing held on September 28, 2005 has mentioned "The untoward incidence has happened by not doing timely payout in our client's account as assumed in the letter of Central Depository of Bangladesh Limited is incorrect. Rather it happened by putting larger quantity than the actual sale during the pay in session. Our client Mr. Muzibur Rahman BO A/C # 1201950002320721, Client Code 8104, actually sold 50 shares of Exim Bank Ltd. on July 23, 2005. But 100 shares wrongly debited in his account on that day during the spot settlement operation.

In light of the above-mentioned situation we have already informed our client and taken corrective action to his BO Account."

The Commission, considering your admission of default, taking necessary corrective action 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>Copy for information:</u> Chief Executive Officer, Dhaka Stock Exchange Ltd. Chief Executive Officer, Central Depository Bangladesh Limited Executive Director (R&D), SEC Executive Director (CDS), SEC Executive Director (Registration), SEC Director (MIS), SEC Chairman's Office

Mansur Alam Executive Director