SEC/Enforcement/349/2005/692 December 19, 2005

AB & CO. Depository Participant (DP) DSE Member No. 43 Room # 505, DSE Building 9F Motijheel (5th Floor) Dhaka-1000

Attention: Proprietor/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 Proprietor of AB & CO., 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\daggetWtl †Kvb WCwRUwi AskMhbKvi x wKqvwi s wnmvte (Clearing Account) D3 †Kv¤úvbxi †Kvb wmwKDwiwU ivL‡Z cvi‡eb bvÓ.

It appeared that by doing so, AB & CO. (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 WCuRUwi AvBb, 1999.

A show-cause-cum hearing notice No.SEC/Enforcement/349/2005/488 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.

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The DP in a written statement dated September 28, 2005 submitted at the time of hearing

held on September 28, 2005 has mentioned, "This happened for technical glitch caused for

non generation of pay out report. For this we could not understand whether our pay out posting

has got due effect. Any way we have pay out the shares to our client's account on 9th August and

bonus shares on 31st August."

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

Copy for information:

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, SEC

Mansur Alam

Executive Director