

SEC/Enforcement/386/2005/330
March 29, 2006

M/s. Md. Shahidullah & Co.
Depository Participant (DP No. 142)
DSE Member No. 91
Room No. 713, DSE Building (6th Floor)
9F Motijheel C/A
Dhaka-1000

Attention: Proprietor

Subject: Non-compliance of securities laws - WARNING

It appeared from the copy of letter of Central Depository Bangladesh Limited dated September 19, 2005, addressed to the Proprietor of M/s. Md. Shahidullah & Co., that the DP's (Depository Participant) Clearing Account had a balance of 5,000 shares of AIMS First Guaranteed Mutual Fund on September 18, 2005, i.e. on record date, which means the DP did not make timely payout into DP's clients' account depriving the clients the benefits arising from the corporate action.

The Commission, in exercise of its power conferred by article 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 AskM†hbKvi x †Kqwi s †nmv†e (Clearing Account) D³ †Kv=úvbx† †Kvb †mm†K†D†i †U i vL†Z cvi †eb biÓ.

It appeared that M/s. Md. Shahidullah & 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 article 14(2) of the Securities and Exchange Commission Act, 1999.

A show-cause-cum hearing notice No. SEC/Enforcement/386/2005/9 dated January 2, 2006 was issued to you under said article 14(2) of the Securities and Exchange Commission Act, 1999 to appear on January 9, 2006 for hearing for above said non-compliance/contravention, along with written explanation.

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The DP in a written statement dated 02/01/06 submitted at the time of hearing held on January 9, 2006 mentioned that the person related with pay out had not paid out the said shares to the client's account inadvertently on September 18, 2005, i. e. on record date. They also mentioned that the shares had already been transferred to the client's account on September 19, 2005 and the benefits which had occurred in their Clearing Account had already been transferred to the Customer Account.

The Commission, considering the admission of default, paying out the concerned shares along with the benefits to the client and assurance of further 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 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