SEC/Enforcement/224/2004/338 March 30, 2006 By Special Messenger By Courier Service

Salam & Company Limited (DSE Membership No.190) Room No. 205, (2<sup>nd</sup> Floor),DSE Bhaban, 9/F Motijheel C/A Dhaka-1000

Attention: Managing Director/Chief executive Officer

## **Subject: Non-compliance of securities laws - WARNING**

In pursuant to an inspection conducted by Dhaka Stock Exchange Limited (DSE) on February 17, 2004 into the books and records of your company, it appeared that you (stock-broker) have failed to produce the Tesa Order Status Report and buy orders of the clients concerned who submitted, modified and withdrawn larger quantity of buy orders of Beach Hatchery shares of February 08, 2004. It also appeared from the above that you have failed to maintain proper books and records.

You, through the aforementioned activities, has contravened were 13 of wmwKDwiwUR I G. ‡PÄ Kwgkb (óK-wWj vi, óK-‡etKvi I Ab‡gwi Z cłuZwbwa) wewagyj v, 2000 [(corresponding the repealed Securities and Exchange Commission (Stock-dealer, Stock-broker & Authorized Representative) Regulations, 1994)] and rule 4 of the Securities and Exchange Rules, 1987.

A show cause notice No.SEC/Enforcement/224/2004-34 dated January 25, 2005 was issued to you for explaining your position in respect of the contraventions/violation of wew 13 of the wmwKDwinUR I G. ‡PÄ Kugkb (óK-wNj vi , óK-‡e†Kvi I Ab‡gwi Z cůZubwa) wewagyj v, 2000.

In reply to the show cause, you, vide letter dated February 07, 2005, submitted details of transactions of February 8, 2004.

Prior to taking further measure, an opportunity of being heard for the contraventions of the above mentioned securities law was given to you, as provided in New 12 of the WMMKDWi WUR I G. ‡PÄ KWgkb (ÓK-WJ) vi, ÓK-‡eVKvi I Abtgwi Z CZWbwa) Newagvj v, 2000, read with the provisions of aviv 10(3) of the WMKDWi WUR I G. ‡PÄ KWgkb AvBb, 1993 and the provisions of section 22 of the Securities and Exchange Ordinance, 1969, through notice of hearing No. SEC/Enforcement/224/2004/150 dated April 2, 2005, and that the hearing was conducted on June 25, 2005.

Mohammad Ebadat Hossain, CEO/Director of Salam & Company Ltd. appeared at the hearing and mentioned, among others, that the alleged non-compliances of the securities related rules & regulations have been rectified and that proper books of accounts as well as sale and buy orders were being maintained.

In a written letter dated June 25, 2005, M/s Salam & Company Limited has mentioned, among others, that it did not maintain written order sheets on 08/02/2004. It also mentioned it contacted the clients whose buy/sell orders were executed on that day and subsequently taken in writing from them the orders they had placed on 08/02/2004.

Stock broker's aforementioned contravention and non-compliance appeared deliberate attracting provisions of wew 12 of the www.DwiwUR I G. ‡PÄ Kwgkb (óK-w/lj vi, óK-‡enKvi I Ab‡gwi Z chiZwbw) wewagyj v, 2000, as amended, read with the provisions of section 10 (3) of the Securities and Exchange Commission Act, 1993, and the provisions of section 22 of the Securities and Exchange Ordinance, 1969, as amended.

However, the Commission, considering your above submissions, 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.
Executive Director (R&D), SEC
Executive Director (Surveillance), SEC
Executive Director (SRMID), SEC
Executive Director (Registration), SEC
Director (MIS), SEC
Chairman's Office, SEC