

SEC/Enforcement/511/2006/1118
October 11, 2006

By Special Messenger

BLI Securities Ltd.
Stock Broker
DSE Member No.175
Printers Building (7th Floor)
5, Rajuk Avenue
Dhaka-1000

Sub: Non-compliance of securities laws: Warning

The Securities and Exchange Commission, at the request of BLI Securities Ltd., issued to the BLI Securities Ltd. the stock broker registration certificate No. ৩৬৫৬-3.1/৩৩GmB/175/2002/61, Zwi L: 09/01/2002 Bs under section 10(1) of the Securities and Exchange Commission Act, 1993, read with ৩৩৩৩ 5 (5) of the ৩৩৩৩Dwi ৩৩R I G- ৩PÄ K৩gkb (óK-৩৩j vi , óK-৩৩Kvi I Abt৩gw` Z cüZ৩bwa) ৩৩৩৩vj v, 2000.

It appeared from the declaration dated nil (received on June 19, 2006) of Mr. Mohammed Mizanur Rahman, a director shareholder of Peoples Insurance Company Ltd. that he declared on June 19, 2006 to sell 16,000 shares of the said company and placed the concerned shares, along with the relevant irrevocable sale order, with BLI Securities Limited (DSE stock broker) for execution at the prevailing market price, for execution within 30 working days. But, the stock broker sold 4,410 shares during June 27, 2006 to July 3, 2006 and did not execute the sale order of the customer in full.

The stock broker's aforementioned activities tantamount to contravention of ৩৩৩৩ 11 of ৩৩৩৩Dwi ৩৩R I G- ৩PÄ K৩gkb (óK ৩৩j vi , óK ৩৩Kvi I Abt৩gw` Z cüZ৩bwa) ৩৩৩৩vj v, 2000 which appeared deliberate attracting ৩৩৩৩ 12 of the said ৩৩৩৩vj v.

A show cause cum hearing notice No.SEC/Enforcement/511/2006/958 dated September 4, 2006 was issued to the stock broker. The hearing was conducted on September 13, 2006.

The person appeared at the hearing submitted a letter dated September 13, 2006 mentioning, among others, that they received sale orders from 5 sponsors of Peoples Insurance Company Ltd. (PICL) to sale 21,030 shares as on June 19, 2006. Total sale order of shares were 16,000 on account of Mr. Mizanur Rahman and 5,030 shares on account of other 4 sponsors. The stock broker sold all the shares on account of the said other 4 sponsors on due time. But, due to lack of turnover of PICL in the market and book closure of the company, they could not sale the declared quantity of shares of Mr. Mohammed Mizanur Rahman. They also said that after the date of book closure on July 4, 2006, due to price adjustment, there were no buyer except seller in the market from July 10, 2006 to July 23, 2006. So, they were unable to sale the total quantity of shares in the market within the declared period. It further appeared from the statement of sale orders submitted by the stock broker that it placed sale

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orders in the system on June 27, 2006 for 500 shares, on June 28, 2006 for 2,400 shares, on June 29, 2006 for 1,000 shares, on July 2, 2006 for 900 shares and on July 3, 2006 for 2,140 shares (total 6,940 shares) against the sale order for 16,000 shares given by Mr. Mohammed Mizanur Rahman, but the broker did not place the sale order for remaining shares into the trading system.

The Commission, considering the all above, has, however, decided to dispose of the proceedings against the stock broker by placing on record the Commission's dissatisfaction on the default/contravention made by it, with a warning to ensure compliance of all securities related laws in future.

For 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 (SRMID), SEC
Executive Director (Registration), SEC
Director (MIS), SEC
Chairman's Office, SEC