

**No. SEC/Enforcement/696/2008/  
October 29, 2008**

Chittagong Stock Exchange Limited  
CSE Building, 1080, Sk. Mujib Road  
Agrabad, Chittagong

Attention: **Chief Executive Officer**

**Subject: Violation of securities laws in connection with keeping client's shares in the clearing account and/or member's margin accounts by certain stock-brokers/stock-dealer.**

In order to ensure proper compliance of securities related laws, rules and regulations, the Commission formed an inspection team vide Order No.SEC/Surveillance/2008-0659/332 dated April 22, 2008 issued under para 15 & 16 of the Securities and Exchange Ordinance, 1969, to investigate the compliance status regarding trading activities of International Securities Co. Ltd. (CSE Stock-dealer), Hillcity Securities Ltd. (CSE Stock-broker) and SR Capital Ltd. (CSE Stock-broker).

It is revealed from the inspection reports concerned that the aforesaid stock-brokers/stock-dealer violated the securities related laws by keeping clients' shares in their clearing accounts without crediting shares in the respective clients accounts and/or keeping clients' shares in their member's margin accounts beyond lawful coverage.

You are, therefore, requested to take necessary steps immediately to ensure compliance of securities related laws by the stock-brokers/stock-dealers/DPs in respect of the above stated matters under intimation to SEC.

For the Securities and Exchange Commission

**Md. Mizanur Rahman**  
**Executive Director**

CC:  
Executive Director (Surveillance), SEC  
Chairman's Office, SEC

