



BANGLADESH SECURITIES AND EXCHANGE COMMISSION

JIBON BIMA TOWER (14, 15, 16 & 20 FLOOR), 10 DILKUSHA C/A, DHAKA-1000, BANGLADESH

Securities Commission Bhaban, E-6/C, Agargaon, Sher-E-Bangla Nagar, Dhaka

নং-বিএসইসি/এনফোর্সমেন্ট/১০৯৬/২০১৩/ ৭৩

তারিখঃ ১৯ ফেব্রুয়ারী, ২০১৮ ইং

আদেশ

Whereas, as per section 17(e)(ii) (v) of the Securities and Exchange Ordinance, 1969 (XVII of 1969),“No person shall, for the purpose of inducing, dissuading, effecting, preventing or in any manner influencing or turning to his advantage, the sale or purchase of any security, directly or indirectly,-

do any act or practice or engage in a course of business, or omit to do any act which operates or would operate as a fraud, deceit or manipulation upon any person, in particular-

create a false and misleading appearance of active trading in any security;

directly or indirectly effect a series of transactions in any security creating the appearance of active trading therein or of raising of price for the purpose of inducing its purchase by others or depressing its price for the purpose of inducing its sale by others;”

Whereas, an investigation has been conducted by BSEC on United Airways (BD) Limited. Enquiry Committee among others reported the following;

“VII. B. 4. Manipulation in trade of shares of United Airways (BD) Ltd.:

As per information/documents collected from DSE and its Stock-Brokers and soft trading data collected from DSE the following was observed:

Client Name	Client Code	Name of member Company	Remarks
Yeakub Ali Khandaker	1108	Prime Bank Securities Ltd.	Own Account
Yeakub Ali Khandaker	P209	Prime Bank Securities Ltd.	Own Account
Yeakub Ali Khandaker	03801	Shahjalal Islami Bank Securities Ltd.	Own Account
Yeakub Ali Khandaker	A3300	LankaBangla Securities Ltd.	Own Account
Md Emran Khandaker	P1699	Prime Bank Securities Ltd.	Brother of Yeakub Ali & Operator



Arranged trading of Yeakub Ali Khandaker:

Case	Buyer Client with Code	Buyer Broker	Trade Volume	Seller Client with Code	Seller Broker
08	Syed Siraj-Ud-Dawla (526)	PFI Securities Ltd.	635100	Yeakub Ali Khandaker (1108)	Prime Bank Securities Ltd.
12	Zillur Rahman & Md. Tarikul Islam (H511)	PFI Securities Ltd.	1184800	Yeakub Ali Khandaker (1108)	Prime Bank Securities Ltd.
13	Prime Finance Capital Management (1170)	PFI Securities Ltd.	340800	Yeakub Ali Khandaker (1108)	Prime Bank Securities Ltd.
			2160700		

Case : 08

**Syed Siraj-Ud-Dawla
Yeakub Ali Khandaker**

**PFI Securities Ltd.
Prime Bank Securities Ltd.**

**526
1108**

635100

TRADEDATE	TRADETIME	TRADEPRICE	TRADEVOLUME	BUYERCODE	BUYERCLIENT	SELLERCODE	SELLERCLIENT
16/09/2012	13:12:17	23.5	50000	DSEPBS	1108	DSEPFI	526
17/09/2012	10:42:46	23.8	7000	DSEPBS	1108	DSEPFI	526
17/09/2012	10:42:46	23.8	20000	DSEPBS	1108	DSEPFI	526
17/09/2012	10:42:46	23.8	20000	DSEPBS	1108	DSEPFI	526
17/09/2012	10:42:46	23.8	2400	DSEPBS	1108	DSEPFI	526
23/09/2012	13:05:32	26.1	50000	DSEPFI	526	DSEPBS	1108
31/10/2012	11:22:35	31	144000	DSEPBS	1108	DSEPFI	526
31/10/2012	11:22:36	31	122800	DSEPBS	1108	DSEPFI	526
31/10/2012	12:00:49	30.9	16000	DSEPBS	1108	DSEPFI	526
31/10/2012	13:34:00	30.1	200000	DSEPBS	1108	DSEPFI	526
31/10/2012	14:08:40	30.1	2900	DSEPBS	1108	DSEPFI	526
			635100				



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Case : 12

Zillur Rahman & Md. Tarikul Islam Yeakub Ali Khandaker			PFI Securities Ltd. Prime Bank Securities Ltd.				H511 1108	1184800
TRADEDATE	TRADETIME	TRADEPRICE	TRADEVOLUME	BUYERCODE	BUYERCLIENT	SELLERCODE	SELLERCLIENT	
18/11/2012	13:15:33	23.6	50000	DSEPBS	1108	DSEPFI	H511	
21/10/2012	12:15:41	28	500000	DSEPFI	H511	DSEPBS	1108	
21/10/2012	14:29:49	27.2	50000	DSEPFI	H511	DSEPBS	1108	
21/10/2012	14:29:49	27.3	43600	DSEPFI	H511	DSEPBS	1108	
22/10/2012	11:00:50	27.2	200000	DSEPFI	H511	DSEPBS	1108	
22/10/2012	11:01:27	27	100000	DSEPFI	H511	DSEPBS	1108	
22/10/2012	11:07:26	27	40000	DSEPFI	H511	DSEPBS	1108	
22/10/2012	11:07:27	27	2000	DSEPFI	H511	DSEPBS	1108	
22/10/2012	11:09:29	27	30000	DSEPFI	H511	DSEPBS	1108	
22/10/2012	11:10:11	27	29200	DSEPFI	H511	DSEPBS	1108	
22/10/2012	11:10:37	27	1000	DSEPFI	H511	DSEPBS	1108	
22/10/2012	11:12:17	27.1	40000	DSEPFI	H511	DSEPBS	1108	
22/10/2012	11:12:28	27.1	99000	DSEPFI	H511	DSEPBS	1108	
			1184800					

Case : 13

Prime Finance Capital Management Yeakub Ali Khandaker			PFI Securities Ltd. Prime Bank Securities Ltd.				1170 1108	340800
TRADEDATE	TRADETIME	TRADEPRICE	TRADEVOLUME	BUYERCODE	BUYERCLIENT	SELLERCODE	SELLERCLIENT	
21/10/2012	12:14:33	28.4	340800	DSEPFI	1170	DSEPBS	1108	



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VIII.B.3. Manipulative trade of shares of United Airways (BD) Limited (See Section VII.B.4 of the report):

Arranged trading of Yeakub Ali Khandaker:

Case	Buyer Client with Code	Buyer Broker	Trade Volume	Seller Client with Code	Seller Broker
08	Syed Siraj-Ud-Dawla (526)	PFI Securities Ltd.	635,100	Yeakub Ali Khandaker (1108)	Prime Bank Securities Ltd.
12	Zillur Rahman & Md. Tarikul Islam (H511)	PFI Securities Ltd.	1,184,800	Yeakub Ali Khandaker (1108)	Prime Bank Securities Ltd.
13	Prime Finance Capital Management (1170)	PFI Securities Ltd.	340,800	Yeakub Ali Khandaker (1108)	Prime Bank Securities Ltd.
			2,160,700		

As per section 17(e)(ii) and 17(e)(v) of the Securities and Exchange Ordinance, 1969 (XVII of 1969), "No person shall, for the purpose of inducing, dissuading, effecting, preventing or in any manner influencing or turning to his advantage, the sale or purchase of any security, directly or indirectly, - (e) do any act or practice or engage in a course of business, or omit to do any act which operates or would operate as a fraud, deceit or manipulation upon any person, in particular-(ii) create a false and misleading appearance of active trading in any security; and (v) directly or indirectly effect a series of transactions in any security creating the appearance of active trading therein or of raising of price for the purpose of inducing its purchase by others or depressing its price for the purpose of inducing its sale by others.

Contravention:

As such, Yeakub Ali Khandaker, have violated section 17(e) (ii) and (v) of the Securities and Exchange ordinance, 1969 (XVII of 1969) by directly and indirectly involving in a series of transaction of shares of UABL in order to create the appearance of active trading of the said share by buying and selling shares among themselves."

Written explanation/comments of the person appeared at the hearing:

He has submitted an explanation letter dated 06 November, 2013. In the letter he has stated the following among others;

Quote

To my utter surprise I have received the said notice where it is stated that an investigation was conducted by BSEC on trading in shares of **United Airways (BD) Limited (UABL)**. It is alleged in the said notice based on the report among others that I have made manipulation in trade of shares of United Airways (BD) Limited. It is further alleged that I have made arranged trading of shares of United Airways (BD) limited with three accounts. Thus violated section 17(e) (ii) and (v) of the Securities and Exchange Ordinance 1969 (XVII of



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1969) by directly and indirectly involving a series of transaction of shares of UABL in order to create the appearance of active trading of the said shares by buying and selling shares among themselves. I have not been given a copy of the said report on which such allegations have been made against me to defend myself except that with the said notice only "relevant part of the report" has been enclosed, This notice with the information contained therein are not only misconstrued, these do not disclose any violation of Securities laws, let alone contravention of section 17(e)(v) of the Securities and Exchange Ordinance, 1969 (hereinafter referred to as the Ordinance). The allegations made against me are absolutely baseless and as such denied.

In the interest of convenience of all I am sequentially providing below the allegations in the said notice:

1- VII. B. 4. Manipulation in trade of shares of United Airways (BD) Ltd.:

Under the above head the following has been stated in the said notice:

"As per information /documents collected from DSE and its Stock-Brokers and soft trading data collected from DSE the following was observed:

Client Name	Client Code	Name of the member Company	Remarks
Yeakub Ali Khandaker	1108	Prime Bank Securities Ltd	Own account
Yeakub Ali Khandaker	P-209	Prime Bank Securities Ltd	Own account
Yeakub Ali Khandaker	03801	Shahjalal Islami Bank Securities Ltd	Own account
Yeakub Ali Khandaker	A3300	LankaBangla Securities Ltd	Own account
Md.Emran Khandaker	P-1699	Prime Bank Securities Ltd	Brother of Yeakub Ali & Operator

From the above table you will kindly observe that:

- No evidence/proof of manipulation has been stated in the above table.
- Reference has been made to account of Md. Emran Khandaker having Client Code No. P-1699 with PBSL and has been alleged to be my brother where I am the operator of the said account which I deny for the reasons stated hereinafter. Md. Emran Khandaker is my brother but he is an independent investor. He has been maintaining account with Prime Bank Investment Ltd (not with Prime Bank Securities Ltd) and he executes his share trading based on his investment decision. I am not in charge of his account or in any way involved in his investment decision. Any trading taking place in his account is his responsibility. Hence, any trading on the said Client Code No P-1699 is independent of my trading of any shares and I vehemently deny the allegation that I was engaged in share trading of UABL in relation to the account of Md. Emran Khandaker either directly or indirectly. This account was only introduced by me. Photocopy of the account opening form is enclosed herewith for ready reference.



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2- ARRANGED TRADING OF YEAKUB ALI KHANDAKER:

On Table 2 of the said notice it is alleged that arranged trading has been made by me with (1) Mr. Sayed Siraj-Ud-Dawla (526) (2) Zillur Rahman & Tarikul Islam (H511) and (3) Prime Finance Capital Management (1170) of PFI Securities Ltd.

I have examined the said notice and all the Table under Case: 08, Case: 12 and Case: 13. It is respectfully submitted that the data provided with the said notice are misconceived and as such denied. My submissions vis-à-vis the allegations stated above are sequentially as follows:

The allegation in the said notice is in reference to three accounts of PFI Securities Ltd which appeared in Case: 08, Case: 12 and Case: 13 in the said notice. In the said notice it is alleged that I, Yeakub Ali Khandaker having Client Code No. 1108 were engaged in arranged share trading of UABL with three other clients namely (1) Mr. Sayed Siraj-Ud-Dawla (526) (2) Zillur Rahman & Tarikul Islam (H511) and (3) Prime Finance Capital Management (1170) of PFI Securities Ltd. which is absolutely baseless.

You are kindly aware that in all the trading there must have one seller and another buyer. Matching of trading between two known person cannot be treated as arranged trading. Arranged trading is happened in BLOCK MARKET and OTC MARKET only. Here all the transactions were executed in normal market. It may kindly be noted that though **Mr. Sayed Siraj-Ud-Dawla is known to me but the other two clients are not known to me.** So far I know Mr. Sayed Siraj-Ud-Dawla is one of the big investors in the market and he executes his share trading based on his own investment decision.

The allegation of arranged trading are also misconstrued to attract section 17(e)(v) of the Ordinance and hence denied for:

- There is no scope to understand the counterpart in the trading system.
- Under the Securities laws there is no restriction on buying or selling shares between known persons.
- The amount of alleged arranged traded shares as referred in the said notice are very negligible as compared to the total trade volume of the day of DSE of the said share.
- I am not responsible for any share trading in any account of any third party except for my own account.

In full compliance of law I took investment decisions on particular trading dates to buy shares of UABL.

I further reiterate that the allegation of my involvement in a series of transaction of shares of UABL directly and indirectly in order to create active trading of the said shares through buying and selling is quite unsupported by the trading facts and figures and as such denied. I was never engaged in active trading or created the appearance of active trading influencing the price of shares of UABL. It may further be noted that



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UABL is one of the most active traded securities of DSE which is also included in DS 30 index. During the period under reference i.e. from 16-09-2012 to 31-10-2012, highest volume of traded shares were 3,20,32,300 on 25-9-2012 and lowest volume of traded shares were 1,25,11,600 which may kindly be perused from the following table:

Date/Time	Open	High	Low	Close	Volume
9/16/2012	21.9	23.8	21.8	23.4	20,341,100
9/17/2012	23.9	24.7	23.2	24	19,622,900
9/18/2012	24.8	26.4	24.8	26.4	20,721,600
9/19/2012	27.5	27.9	24.2	24.6	24,217,800
9/20/2012	24.1	25.5	23.2	23.8	17,086,100
9/23/2012	25.8	26.1	25.1	26.1	19,218,000
9/24/2012	27.9	29.2	26.8	27.4	17,892,400
9/25/2012	27	29.8	27	29.7	31,238,900
9/26/2012	30.5	32.5	30.5	31	27,594,300
9/27/2012	31.1	33.1	30.2	31.5	21,841,800
9/30/2012	31.5	32	29.6	29.9	23,069,100
10/1/2012	30	32.8	29.1	32.7	32,032,300
10/2/2012	33.9	34	31.5	32.1	17,396,300
10/3/2012	32.5	32.5	28.9	29.2	18,396,000
10/4/2012	29.8	29.9	26.8	27.2	17,060,200

Date/Time	Open	High	Low	Close	Volume
10/8/2012	23.9	25.9	23.9	25.7	21,317,600
10/9/2012	26.5	28.2	26.5	28.2	19,277,800
10/10/2012	29.6	29.9	27.7	28.3	21,033,000
10/11/2012	28.2	31	27.8	30.8	26,211,800
10/14/2012	31.5	32.7	29.2	29.6	27,137,800
10/15/2012	30	30.8	28.9	30.1	19,072,900
10/16/2012	30.9	32.2	30.4	31.1	18,158,200
10/17/2012	31.1	31.5	29.5	29.8	13,543,200
10/18/2012	30.3	30.3	28.8	29.2	12,681,800
10/21/2012	29.9	29.9	26.6	27.3	17,421,600
10/22/2012	27.7	29.9	26.8	29.5	12,511,600
10/23/2012	30.5	30.8	29.8	30.3	15,344,500
10/30/2012	30.5	30.5	29.1	29.8	9,513,200
10/31/2012	30.1	31	29.5	29.9	15,154,300

It has been alleged in the said notice that I have directly or indirectly, through my different accounts, effected a series of transactions in shares of UABL creating appearance of active trading by buying and selling of shares therein and have thereby contravened **section 17 (e) (ii) (v)** of the Ordinance. But it is apparent that the allegations are unsubstantiated. No causation has been established to lead for creating appearance of active trading through simultaneous buying and selling to contravene Securities laws. Further, the allegation of arranged trading with (1) Mr. Sayed Siraj-Ud-Dawla (526) (2) Zillur Rahman & Tarikul Islam (H511) and (3) Prime Finance Capital Management (1170) of PFI Securities Ltd. as shown in Table under Case: 08, Case: 12 and Case: 13 in the said notice is unsubstantiated by the facts.

As such, I categorically deny that I have violated the section 17 (e) (ii) and (v) of the Securities and Exchange Ordinance, 1969 (XVII of 1969) directly and indirectly involving in a series of transactions in shares of UABL in order to create the appearance of active trading of the said share by buying and selling shares among themselves.



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In addition to the above, the summary of the alleged arranged trades in the aforesaid cases, (i.e. 08, 12 & 13) is depicted below:

Case	Date	Total Own Volume	Alleged Arranged Trade	Own Trade of the day other than alleged arranged trade	DSE Total Trade	% Dse Trade
Case-08	9/16/2012	1,600,000	50,000	1,550,000	20,341,100	0.25%
	9/17/2012	1,800,000	49,400	1,750,600	19,622,900	0.25%
	9/23/2012	1,800,000	50,000	1,750,000	19,218,000	0.26%
	10/31/2012	3,006,500	485,700	2,520,800	15,154,300	3.21%
Case-12	11/18/2012	505,000	50,000	455,000	20,866,700	0.24%
	10/21/2012	3,417,900	593,600	2,824,300	17,421,600	3.41%
	10/22/2012	2,485,100	541,200	1,943,900	12,511,600	4.33%
Case-13	10/21/2012	3,417,900	340,800	3,077,100	17,421,600	1.96%

From the table above, the total trade, relating to UABL, executed from my account on Sep 16, 2012 was 1,600,000 and the alleged trade of 50,000 is only 0.25% of the entire trade volume executed in Dhaka Stock Exchange itself on that very day. This clearly indicates that such a trade cannot be identified as an arranged trade having such an insignificant impact (0.25% of the entire trade volume in DSE) in the stock exchange. The trades on the other days are similar to the above stated scenario. To have a clearer picture, the highest percentage of the alleged trades is on October 22, 2012, which was not even 5% of the total trade volume of UABL in Dhaka Stock Exchange Ltd. on that day. Therefore, it's obvious that trades which are of such insignificant portions of the entire trades in a single day, cannot initiate arranged trades of the said shares in the exchanges and thus allegations are quite unsupported by the facts.

I respectfully submit that the allegations in the said notice are unsubstantiated and once again denied. I hope this written explanation shall suffice to close this issue once and for all, as there has been no violation of any law, let alone section 17 (e) (ii) and (v) of the Ordinance to attract section 22 of the said Ordinance.

Unquote



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Yeakub Ali Khandaker এর লিখিত বক্তব্য কমিশনের বিবেচনায় গ্রহণযোগ্য হয়নি।

যেহেতু, Yeakub Ali Khandaker এর লিখিত বক্তব্য কমিশনের বিবেচনায় গ্রহণযোগ্য হয়নি, যা সিকিউরিটিজ আইন পরিপালনে ব্যর্থতা বিধায় section 22 of the Securities and Exchange Ordinance, 1969 অনুযায়ী শাস্তিযোগ্য অপরাধ এবং যা ক্ষমার অযোগ্য;

যেহেতু, কমিশনের বিবেচনায়, সিকিউরিটিজ আইন পরিপালনে উল্লিখিত ব্যর্থতার জন্য, ততা পুঁজিবাজারের উন্নয়নের পাশাপাশি বাজারের শৃংখলা ও স্বচ্ছতা রক্ষার স্বার্থে উক্ত ব্রোকার/ডিলার কে জরিমানা করা প্রয়োজন ও সমীচীন;

অতএব, সেহেতু, কমিশন, উল্লিখিত যাবতীয় বিষয় বিবেচনাপূর্বক, Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969) এর section 22 [যা The Securities and Exchange (Amendment) Act, 2000 দ্বারা সংশোধিত] এ প্রদত্ত ক্ষমতাবলে Yeakub Ali Khandaker এর উপর ১০ (দশ) লক্ষ টাকা জরিমানা ধার্য করল যা অত্র আদেশের তারিখ হতে ১৫ (পনের) দিনের মধ্যে 'বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন' এর অনুকূলে ইস্যুকৃত ব্যাংক ড্রাফট/পে-অর্ডারের মাধ্যমে কমিশনে জমা করতে হবে।

মো: আমজাদ হোসেন
কমিশনার

বিতরণঃ

Yeakub Ali Khandaker
S/O Late Belayet Hossain Khandaker and Late Asmatennesa
Apartment No.M-6,
House No.22, Road No.4,
Dhanmondi R/A
Dhaka.