SEC/Enforcement/830/2010/483 **By Registered AD**
June 01, 2010

Trendset Securities Ltd.
CSE Membership No. 077
Suit# A-3 (Level-3), House# 23, Road# 68/A,
Gulshan
Dhaka-1212

Attention: Managing Director/CEO

Subject: Show cause cum notice for hearing: Non-compliance of securities related laws.

Whereas, as per section 2(i) of the Securities and Exchange Ordinance, 1969 (XVII of 1969), Trendset Securities Ltd. (CSE Membership No. 077) is a member of Chittagong Stock Exchange Limited;

Whereas, the Securities and Exchange Commission, at the request of Trendset Securities Ltd. issued a Stock Broker Registration Certificate to Trendset Securities Ltd. under ধারা ১০(১) of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন আইন, ১৯৯৩, read with বিধি ৫ (৫) of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (স্টক-ডিলার, স্টক-ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০, to conduct securities trading related activities under certain terms & conditions stipulated in the said certificate;

Whereas, an inspection was conducted vide Commission's Order No. SEC/SRI/INS/DSE-MEM/135 dated December 21, 2009 under বিধি ১৫ ও ১৬ of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (স্টক ডিলার, স্টক ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০ and প্রবিধান ৩৬ of ডিপজিটরি (ব্যবহারিক) প্রবিধানমালা, ২০০৩, read with 6(1) of the Securities and Exchange Ordinance, 1969 and to inspect books & records and documents of Reliance Securities Consultant Ltd.; The findings and contraventions of inspection report are as under:

"The trading operation of Dhaka branch of the stock-broker remained suspended from December 27, 2009 to January 10, 2010. When asked about the suspension of trading activities, the officials of the branch could not show any valid reason for that. They didn't inform the Securities and Exchange Commission or Chittagong Stock Exchange about its suspension of trading activities. They verbally informed their clients about suspension of trading.

The inspecting officers didn't find trade related as well as other official documents at the branch premises. When asked about such non-storage of documents at the office, they informed that they have sent the documents to the residence of the Managing Director of Trendset Securities Ltd for signing and checking.

They have only one active workstation and two Authorized Representatives to execute the trade.

The sitting arrangement for clients was inadequate."

CONTRAVENTIONS:

1. The stock-broker violated the Section 4(6) of Directive No: SEC/CMRRCD/2002-90/34 dated July 29, 2008 and condition No.: 3 of ষ্টক-ডিলার, ষ্টক-ব্রোকার ও অনুমোদিত প্রতিনিধি এর নিবন্ধন সনদ ।
2. The stock-broker violated the 2(d) of Directive No: SEC/CMRRCD/2002-90/34 dated July 29, 2008.

3. The stock-broker violated the 2(e) Directive No: SEC/CMRRCD/2002-90/34 dated July 29, 2008. ”

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Whereas, the aforesaid activities are tantamount to non-compliance of securities law that appears deliberate and clear contravention of the Section 4(6) of Directive No: SEC/CMRRCD/2002-90/34 dated July 29, 2008 condition No: 3 of ষ্টক-ডিলার, ষ্টক-ব্রোকার ও অনুমোদিত প্রতিনিধি এর নিবন্ধন সনদ, the 2(d) of Directive No: SEC/CMRRCD/2002-90/34 dated July 29, 2008 and the 2(e) Directive No: SEC/CMRRCD/2002-90/34 dated July 29, 2008 attracting penal provision of Section 22 of the Securities and Exchange Ordinance, 1969;

Whereas, the Commission feels in this respect that an opportunity of being heard be given to the issuer and to you on the above matter before taking the further measures as per provision of Section 22 of the Securities and Exchange Ordinance, 1969;

Now, therefore, you are requested to appear at hearing personally or through authorized persons **(written authorization need to be submitted during hearing)** on **June 09, 2010 at 11.10 A.M.** at Commission’s Board Room, as provided in Section 22 of the Securities and Exchange Ordinance, 1969 on the stated ground of contraventions, along with your written explanation, if any, showing cause as to why appropriate action should not be taken by the Commission against Trendset Securities Ltd. for the above stated contraventions, failing which the Commission will be constrained to take decision exparte in this respect.

For the Securities and Exchange Commission

Mir Mosharraf Hossain Chowdhury
Director