SEC/Enforcement/GP/2010/835/485 **By Special Messenger**

June 02, 2010 Fax: 88-02-8815393, 9889153

The Premier Bank Limited
DSE Member No. 236
Brokerage Division, Iqbal Centre (3rd Floor)
42, Kamal Ataturk Avenue
Banani
Dhaka-1213.

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), The Premier Bank Limited (DSE Member No. 236) is a member of Dhaka Stock Exchange Limited;

Whereas, the Securities and Exchange Commission, at the request of The Premier Bank Limited issued a Stock Broker Registration Certificate to Lanka Bangla Securities Limited 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 by the Commission in respect of share trading of Grameenphone Limited. The findings of inspection report are as under:

(i) Mr. Md. Maruf Bin A. Jabbar clients of The Premier Bank Limited purchased Al Arafa Islami Bank, Grameen Phone & Social Islami bank Ltd's shares using excess loan facilities. The details are as follows:

DATE	CLIENT NAME	CURRENT DEPOSIT (Opening)	MAXIMUM LOAN LIMIT	LOAN AMOUNT ACTUALLY USED	RATIO
23.05.10	Md. Maruf Bin A Jabbar	-3408112.94	0.00	-19282799.50	
	Code No. 00022				

Contravention: Through the aforesaid activities The Premier Bank Limited violated the Directives of the Commission No.SEC/CMRRCD/2001-43/29 dated March 15, 2010 under Margin Rules, 1999.

(ii) Mr. Md. Maruf Bin A. Jabbar clients of The Premier Bank Limited purchased Al Arafa Islami Bank, Grameen Phone & Social Islami bank Ltd's shares without deposited money. The details are as follows:

DATE	**CLIENT NAME**	**Particulars**	**Buy/Sale Qty**	**Debit**	**Credit**	**Balance**	**Current Deposit**
23.05.10	Md. Maruf Bin A.Jabbar	Alarafa Islami Bank Ltd.	3000	2601487.50		-21804082.96	-3408112.94
23.05.10		Grameen Phone Ltd.	20000	5753888.85		-27557971.81	

23.05.10		SIBL	10000	4032556.25		-31590528.06	
23.05.10		**SIBL**	**(30000)**		**12307728.56**	**-19282799.50**	**Netting**

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Contravention: Through the aforesaid activities The Premier Bank Limited violated the Directives of the Commission No. SEC/CMRRCD/2001-43/17 dated February 08, 2010.

Whereas, the aforesaid activities are tantamount to non-compliance of securities law that appears deliberate and clear contravention of the Directives of the Commission No.SEC/CMRRCD/2001-43/29 dated March 15, 2010 under Margin Rules, 1999 and the Directives of the Commission No. SEC/CMRRCD/2001-43/17 dated February 08, 2010 attracting penal provision of section 22 of the Securities and Exchange Ordinance, 1969 read with বিধি ১২ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (স্টক-ডিলার, স্টক-ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০;

Whereas, the Commission feels in this respect that an opportunity of being heard be given to the aforesaid Stock Broker on the above matter before taking the further measures as per provision of section 22 of the Securities and Exchange Ordinance, 1969 and বিধি ১২ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (স্টক-ডিলার, স্টক-ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০;

Now, therefore, you are requested to appear at hearing personally or through authorized persons **(written authorization need to be submitted during hearing)** on **June 9 , 2010 at 11.20 A.M.** at Commission's Board Room, as provided under section 22 of the Securities and Exchange Ordinance, 1969 and বিধি ১২ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (স্টক-ডিলার, স্টক-ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০ 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 The Premier Bank Limited 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

Copy for information:
Chief Executive Officer, Dhaka Stock Exchange Ltd.
Chief Executive Officer, Chittagong Stock Exchange Ltd.
Member (Enforcement), SEC
Executive Director (Surveillance), SEC
Executive Director, (Registration), SEC
Executive Director, (SRI), SEC
Director, (R&D, MIS), SEC
Chairman's Office, SEC