SEC/Enforcement/840/2010/ **June 14, 2011**

Order

Whereas, as per section 2(i) of the Securities and Exchange Ordinance, 1969 (XVII of 1969), Expo Traders Limited is a member of Dhaka Stock Exchange Limited;

Whereas, the Securities and Exchange Commission issued Stock Broker Registration Certificate to Expo Traders Limited under avix 10(1) of the wmwKDwiwUR I G·‡PÄ Kwgkb AvBb, 1993, read with wewa 5 (5) of the wmwKDwiwUR I G·‡PÄ Kwgkb (÷K-wWjvi, ÷K-‡evKvi I Ab‡gw`Z cwZwbwa) wewagvjv, 2000, to conduct securities trading related activities under certain terms & conditions stipulated in the said certificate;

Whereas, on the basis of the investigation report of Dhaka Stock Exchange Limited a show cause-cum-hearing notice No. SEC/Enforcement/840/2010/746 dated October 18, 2010 was issued to Expo Traders Limited to appear at the hearing on the November 03, 2010. In the show cause-cum-hearing notice among others following were mentioned;-

"Whereas as per Order No. SEC/SRMID/94-231/1641 dated January 31, 2008, money adjustment facility will be applicable in respect of A, B, N and G category securities. Therefore, money adjustment facility will not be applicable in respect of Z category securities.

Whereas, as per Clause 1 of the Commission's Directive No. SEC/CMRRCD/ 2001-43/169 dated October 01, 2009, issuer companies under Z category shall not be entertained as 'marginable securities' under clause (d) of sub-rule (12) of rule3 of the Margin Rules, 1999.

Whereas record shows that the following client of Expo Traders Ltd.bought shares of **Gulf foods ltd.** in his account and sold some other share(s) to adjust the ledger balance which indicates the client has used money adjustment facilities in respect of 'Z' category securities.Moreover Moreover, the said client has used margin facilities in buying GULFOODS shares.

Name	Abdur Rahim Mir		Client code	8001		
Buy Date	Instrument	Buy Quantity	Ledger Balance of previous day	Cash/cheque received	Amount used to buy GULFOODS	Ledger Balance at the end of the day
01.03.10	GULFOODS	500	3966.23	-	62050	-3502.17
07.03.10	GULFOODS	400	-3502	-	48800	-1302.97

Contravention: Expo Traders Ltd. violated SEC's Order No. SEC/SRMID/94-231/1641 dated January 31, 2008 by allowing money adjustment facilities and clause (d) of sub-rule (12) of rule 3 of the Margin Rules, 1999 as per SEC's Directive no. SEC/CMRRCD/2001-43/169 dated October 01, 2009 by providing margin loan facilities in purchasing shares of **Gulf foods ltd.which** is a Z category company."

Whereas, hearing was conducted as per schedule. Mr. Shahid Hossain (CEO) attended the hearing on behalf of Expo Traders Limited and submitted a reply letter No.NIL dated November 03, 2010. Vide written explanation they confessed the allegation and stated among others that the said violation was occurred due to absent mind for illness of the authorised representative.

Whereas, the above mentioned written statement proves that the mentioned allegation against Expo Traders Limited is correct. Their explanation is not acceptable to the Commission.

Whereas, the aforesaid activities are tantamount to non-compliance of securities law, deliberate and clear contravention of the above mentioned Order and Rule. The said violations attract penal provision of section 22 of the Securities and Exchange Ordinance, 1969.

Whereas, to protect the discipline and transparency of the capital market along with it's development the Commission deems it appropriate and necessary to impose penalty upon Expo Traders Limited for the stated violations.

Now, therefore, Securities and Exchange Commission, in exercise of the power conferred by section 22 (amended by the Securities and Exchange (Amendment) Act, 2000) of the Securities and Exchange Ordinance, 1969 (XVII of 1969) hereby imposes penalty for Tk.1 (Tk.One) Lac upon Expo Traders Limited which is to be deposited to the Commission in the form of Bank Draft/Payorder favouring 'Securities and Exchange Commission' within 15 days from the date of issuance of this order.

By order of the Securities and Exchange Commission

Professor Dr. M. Khairul Hossain
Chairman

<u>Distribution:</u>

Expo Traders Limited
DSE's Membership No. 230
Suit No.802
Modhumita Building (7th floor)
158-160,Motijheel C/A
Dhaka-1000.