SEC/Enforcement/976/2011/150 **Registered with AD**
April 12, 2012 **Fax No. 0821-2831694**

Firstlead Securities Limited
CSE's Membership No. 122
Al-Hamrah Shopping City (4th floor)
Zindabazar
Sylhet-3100.

Attention: Managing Director/CEO

Subject: Penal Order: Non-compliance of regulation 4(1) of the Chittagong Stock Exchange (Short Sale) Regulations, 2005.

Dear Sir,

Commission's penal order No. SEC/Enforcement/976/2011/ 149 dated April 12, 2012 is enclosed herewith for your kind information and necessary action.

For Securities and Exchange Commission

Mustari Jahan
Deputy Director (Enforcement Dept.)

Distribution:
Chief Executive Officer, Chittagong Stock Exchange Limited

Copy for information:
P.O to Member (Enforcement), SEC
P.O to Executive Director (Surveillance), SEC
P.O to Executive Director (MIS), SEC
Chairman's office, SEC

Distribution:
Chief Executive Officer, Chittagong Stock Exchange Limited

Copy for information:
P.O to Member (Enforcement), SEC
P.O to Executive Director (Surveillance), SEC
Chairman's office, SEC

Order

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

Whereas, the Securities and Exchange Commission issued Stock Broker Registration Certificate to Firstlead Securities Limited under avi 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 Chittagong Stock Exchange Limited show cause-cum-hearing notice SEC/Enforcement/976/2011/706 dated October 25, 2011 was issued to Firstlead Securities Limited to appear at the hearing on the November 16, 2011. In the show cause-cum-hearing notices among others following were mentioned;-

“Whereas, as per regulation 4(1) of the Chittagong Stock Exchange (Short Sale) Regulations, 2005, short sale of listed securities is prohibited.

Whereas, an investigation was conducted by Chittagong Stock Exchange Limited. Investigation team among others reported that Firstlead Securities Limited allowed short selling of 5,000 shares of BEXTEX Limited to its client named Rafiqul Alam (client code no.2114) on January 20,2011 details of which are given below:

Name of the Client	Client Code No.	Date of Sale	Sold Quantity	Available Holding	Short sale quantity
Rafiqul Alam	2114	20/01/2011	14,200	9,200	5,000

Contravention: Firstlead Securities Limited violated regulation 4(1) of the Chittagong Stock Exchange (Short Sale) Regulations, 2005 by allowing shortsale to it’s client.”

Whereas, hearing was conducted as per schedule. Mr. Md.Jhunu Chowdhury (DMD) has attended the hearing on behalf of Firstlead Securities Limited and submitted a reply letter No.NIL dated November 16 , 2011. In the written explanation they have confessed the allegation, begged apology and promised to not to commit such violation in future.

Whereas, their written explanation proves that the mentioned allegation against Firstlead Securities 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 regulation 4(1) of the Chittagong Stock Exchange (Short Sale) Regulations, 2005. The said violation attracts 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 Firstlead Securities Limited for the aforesaid violation.

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 Firstlead Securities 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

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