



বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন
Bangladesh Securities and Exchange Commission

Jiban Bima Tower, 10 Dilkusha C/A, Dhaka-1000, Bangladesh

Phone (PABX): 0088-02 9568101-2, 0088-02 9561525, Fax: 0088-02 9563721, 717660

SEC/Enforcement/1005/2011/195

March 12, 2013

HAC Securities Limited
DSE Membership No.74
Room No.610
Stock Exchange Building
9/F, Motijheel C/A
Dhaka-1000.

Attention: Managing Director/CEO

Subject: Penalty Order: Non-compliance of para 11, আচরনবিধি ১, ৬ of দ্বিতীয় তফসিল of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (স্টক ডিলার, স্টক ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০, regulation 4 of the Dhaka Stock Exchange (Short Sale) Regulation, 2006 in connection with unusual trading in shares of Beach Hatchery Limited.

Dear Sir,

Commission's penalty order No. SEC/Enforcement/1005/2011/194. dated March 12, 2013 is enclosed herewith for your kind information and necessary action.

For Bangladesh Securities and Exchange Commission

Mustari Jahan
Deputy Director (Enforcement Dept.)

Distribution:

Chief Executive Officer, Dhaka Stock Exchange Limited
Chief Executive Officer, Chittagong Stock Exchange Limited

Copy for information:

P.O to Commissioner (Enforcement), BSEC
P.O to Executive Director (Surveillance), BSEC
P.O to Executive Director (MIS), BSEC
Chairman's office, BSEC



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Order

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

Whereas, the Securities and Exchange Commission issued Stock Broker Registration Certificate to HAC Securities Limited under aviv 10(1) of the ঐমিKDiiUR I G · þPÅ Kigkb AvBb, 1993, read with ঐa 5 (5) of the ঐমিKDiiUR I G · þPÅ Kigkb (÷K-ঐWjvi, ÷K-ঐevKvi I Abþg\`Z ciZibia) ঐagvjv, 2000, to conduct securities trading related activities under certain terms & conditions stipulated in the said certificate;

Whereas, on the basis of the enquiry report of Bangladesh Securities and Exchange Commission regarding steep rise in share price of Beach Hatchery Limited, a show cause-cum-hearing notice No. SEC/Enforcement/1005/2011/381 dated August 08, 2012 was issued to HAC Securities Limited to appear at the hearing. In the show cause-cum-hearing notice among others following were mentioned:-

“Whereas as per বিধি ১১, আচরনবিধি ১, ৬ of দ্বিতীয় তফসিল of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (স্টক ডিলার, স্টক ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০;

“cþZ`K ÷K ঐWjvi, ÷K ঐevKvi Ges Abþg\`Z ciZibia mþev”P mZZv I ঐek`Zvi mminZ Zvni KVRKg ciiPvjbv Kiiþeb Ges AvBb, Aa`vþ`k, GB ঐagvjv Ges ঐØZxq Zdmmþj ঐeaZ AvPiY ঐamni ঐbeÜb mbþ`i mKj kZvejx hv_vh_fvþe cvjb Kiiþeb|”

“প্রত্যেক স্টক ডিলার, স্টক ব্রোকার ও অনুমোদিত প্রতিনিধিকে তাহার ব্যবসা ও এতদসংক্রান্ত কার্যাদি পরিচালনার ক্ষেত্রে সুনাম, দক্ষতা, বিশ্বস্ততা ও সততা বজায় রাখিতে হইবে”

“ঐbR `v ঐmxi Rb” AcþKškj cþqM ঐbI×|- þKvb ÷K ঐWjvi, ÷K ঐevKvi ev Abþg\`Z ciZibia ঐbR `v ঐmxi Rb” þKvb AcþKškj i Avkq jBþZ cwiþeb bv, KvnþKI VKvþbv ev ceÂbvi Dþİþk” þKvb þjbþ`b KiiþZ cwiþeb bv ev ঐbR `v ঐmxi Dþİþk” A_ev evRvþi i fvimvg”webó Kivi Dþİþk” þKvb , Re QovBþZ ev Kvhµg ciiPvjbv KiiþZ cwiþeb bv|”

Whereas, as per regulation 4 of the Dhaka Stock Exchange (Short Sale) Regulation, 2006, short sale of listed securities is prohibited.

Whereas, an enquiry has been conducted by SEC regarding steep rise in share price of Beach Hatchery Limited.

Whereas, the Enquiry committee among others has reported the following;

..... “the category of shares of the company changed to “A” category from “Z” category on July 16,2009.....”

“The enquiry officers found that some clients of Hac Securities Limited, bought a bulk quantity of Beach Hatchery Limited shares and sold some shares before maturity. The details are described below:



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March 12, 2013

HAC SECURITIES LIMITED

DSE MEMBER # 074

SL NO	NAME OF CLIENT	CLIENT CODE	BUY DATE	QUANTITY	MATURITY DATE	SALE DATE	REMARKS
1	Muinul Haq Mamun	24530	19/10/09	4000	22/10/09	20/10/09	Sold 3000 shares at T+1
2	Md. Moinul Islam	23015	05/10/09	10000	7/10/09	8/10/2009	Sold 10000 shares at T+2

Contravention: The aforesaid activities are the violation of ÷K Wjvi, ÷K tevKvi I Abtgw`Z cZibiaf` i AvPib weia 1 Ges 6 as enumerated in the second schedule of mmKDiiUR I G · þPÄ Kigkb (÷K Wjvi ÷K tevKvi I Abtgw`Z cZibia) weagvjv, 2000 and weia 11 of said weagvjv and Regulation 4(1) of the “ Dhaka Stock Exchange (Short Sale) Regulations, 2006”

Whereas, hearing has been conducted. Mr. Hamed Ali Chowdhury (Chairman) and Mr. Md. Abdul Mannan (DGM) have attended the hearing on behalf of the broker. They submitted an explanation letter No. NIL dated September 02, 2012. In the letter they confessed the allegation, begged apology and promised to not to commit such violation in future. Among others they stated that they have suspended the employees who have committed the violation. They have strengthened their monitoring system. They requested the Commission to consider this issue with compassion.

Whereas, from the enquiry report and the written confession of HAC Securities Limited it is **proved** that the mentioned allegation of violating AvPib weia 1 and 6 of second schedule of mmKDiiUR I G · þPÄ Kigkb (÷K Wjvi ÷K tevKvi I Abtgw`Z cZibia) weagvjv, 2000, weia 11 of the said weagvjv and Regulation 4(1) of the “ Dhaka Stock Exchange (Short Sale) Regulations, 2006 against HAC Securities Limited is **correct**. Their explanation is not acceptable to the Commission.

Whereas, the aforesaid activities are tantamount to non-compliance of securities law, appeared to be deliberate and clear contravention of the above mentioned weia and Regulation. Therefore the said non compliance attracts penal provision of section 22 of the Securities and Exchange Ordinance, 1969 and aviv 18 of mmKDiiUR I G · þPÄ Kigkb AvBb, 1993;

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 HAC Securities Limited for the stated violations.

Now, therefore, Bangladesh 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.1.00 (Tk. One) Lac upon HAC Securities Limited which is to be deposited to the Commission in the form of Bank Draft/Payorder favouring 'Bangladesh Securities and Exchange Commission' within 15 days from the date of issuance of this order.



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By order of the Bangladesh Securities and Exchange Commission

Professor Dr. M. Khairul Hossain
Chairman

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