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/947/2011/56 **Registered with AD**
January 27, 2013

Mr.Md. Mojibul Haque Chowdhury
Client of Shyamol Equity Management Limited
DSE Annex Building (2nd floor)
Room No.319
9/E, Motijheel C/A
Dhaka-1000.

Subject: Penalty Order: Non-compliance of Section 17 (e) (v) of Securities and Exchange Ordinance, 1969 in connection with unusual trading in shares of Legacy Footwear Limited

Dear Sir,

Commission's penalty order No. SEC/Enforcement/947/2011/55 dated January 27, 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
Chief Executive Officer, Shyamol Equity Management Limited (with a request to send the copy of the order to Mr.Md. Mojibul Haque Chowdhury, a client of Shyamol Equity Management Limited, Client code –CA 0690)
Copy for information:
P.O to Commissioner (Enforcement), SEC
P.O to Executive Director (Surveillance), SEC
P.O to Executive Director (MIS), SEC
Chairman's office, SEC

Order

Whereas, on the basis of the investigation report of Dhaka Stock Exchange Limited on unusual trading in shares of Legacy Footwear Limited, a show cause-cum-hearing notice No. SEC/Enforcement/947/2011/ 402 dated August 08, 2012 was issued to Mr.Md. Mojibul Haque Chowdhury to appear at the hearing. In the show cause-cum-hearing notice among others following were mentioned;-

"Whereas, as per section 17(e)(v) of the Securities and Exchange Ordinance, 1969 (XVII of 1969),"No person shall, for the purpose of inducing, dissuading, effecting, preventing or in any manner influencing or turning to his advantage, the sale or purchase of any security, directly or indirectly,-

do any act or practice or engage in a course of business, or omit to do any act which operates or would operate as a fraud, deceit or manipulation upon any person, in particular-

directly or indirectly effect a series of transactions in any security creating the appearance of active trading therein or of raising of price for the purpose of inducing its purchase by others or depressing its price for the purpose of inducing its sale by others;"

Whereas, an investigation has been conducted by DSE on unusual trading in shares of Legacy Footwear Limited. Investigation Team reported as per enclosure I

Contravention: It appears to the investigation team that Md. Mojibul Haque Chowdhury has violated Section 17 (e) (v) of Securities and Exchange Ordinance, 1969."

Whereas, Mr.Md. Mojibul Haque Chowdhury has not attended the hearing. He submitted a written explanation No.NIL dated September 17, 2012. In the letter among others he has stated the following;

"He submitted a written explanation No.NIL dated September 12,2012. In the letter among others he has stated that after day end the quantity of total trade of the shares of a company can be ascertained. I can not guess it during the trading period or before the trading period. Based on the bonus giving pattern I have traded the shares of legacy. I had no intention to influence the market price of the shares of Legacy Footwear Limited"

Whereas, the transaction reported by the investigation officers is attached herewith.

Whereas, Commission has observed that from January 2, 2011 to April 11, 2011 (reported period) Mr.Haque has transacted the shares of Legacy Footwear Limited in a significant volume almost consecutively. Such transaction effected a series of transactions in the said security creating the appearance of active trading therein.

Whereas, from the reported transaction it is proved before the Commission that the allegation of violating 17 (e) (v) of Securities and Exchange Ordinance, 1969 is correct. It is proved that Mr.Md. Mojibul Haque Chowdhury was involved directly or indirectly in a series of transaction of shares of Legacy Footwear Limited in order to create the appearance of active trading of the said share. His written explanation is not acceptable to the Commission.

Whereas, the aforesaid activities are tantamount to non-compliance of securities law that appears deliberate and clear contravention of the section 17 (e) (v) of the Securities and Exchange Ordinance, 1969 (XVII of 1969) attracting 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 Mr.Md. Mojibul Haque Chowdhury for the stated violation.

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.2.00 (Tk.Two) Lac upon Mr.Md. Mojibul Haque Chowdhury 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.

By order of the Bangladesh Securities and Exchange Commission

Professor Dr. M. Khairul Hossain
Chairman

Distribution:
Mr.Md. Mojibul Haque Chowdhury
Client of Shyamol Equity Management Limited
DSE Annex Building (2nd floor)
Room No.319
9/E, Motijheel C/A
Dhaka-1000