

SEC/Enforcement/581/2007/723
July 01, 2007

Western Securities Investment Management Ltd.
Stock Dealer (Depository Participant)
CSE Member No.121120 (DP No.161)
Room No. 501
Shahanawaz Bhaban (4th Floor)
Motijheel Commercial Area
Dhaka-1000

Attention: **Managing Director**

Sub: **Non-compliance of securities law in connection with shares in clearing account on record date: Warning**

It appeared from the letter of Central Depository Bangladesh Limited dated May 8, 2007, addressed to Mr. Md. Nurul Islam, Managing Director, Western Securities Investment Management Ltd. that Clearing Accounts of Western Securities Investment Management Ltd. (CSE Stock Dealer/DP) had balance of 50 shares of Exim Bank Limited on May 3, 2007, i.e. on record date, which means Western Securities Investment Management Ltd. did not make timely payout the said shares to its client's account depriving the client concerned the benefits arising from corporate action of the issuer.

The Commission's Directive No.GmBwm/wmwWgm/2:22/99/87 Zwi Lt 08 btfxf, 2005Bs, issued under aviv 14 of w/cwRUwi AvBb, 1999 (1999 mfbj 6bs AvBb), reads as under:

Óti KW@WtU tKvb teKvi ev wWj vi wKqwi s wmwte (Clearing Account) mswké tKvúvxi tKvb wmwKDwi wU i vLtz
cvi teb bv|0

It appeared that by doing so, Western Securities Investment Management Ltd. has violated the above directive of the Commission.

The Stock Dealer's/DP's aforementioned non-compliance/violation appeared deliberate attracting penal provision of aviv 14(2) of the w/cwRUwi AvBb, 1999.

A show-cause-cum hearing notice No.SEC/Enforcement/581/2007/645 dated May 31, 2007 was issued to the Stock Dealer/DP under said aviv 14(2) of the w/cwRUwi AvBb, 1999 to appear for hearing for above said non-compliance/contravention, along with written explanation. The hearing was conducted on June 20, 2007.

The Stock Dealer/DP in a written statement dated June 19, 2007 submitted at the time of hearing has mentioned that they had not paid out 50 Exim Bank Limited's shares from its Clearing Account due to mistake. The Stock Dealer/DP has further mentioned that it has already paid out the concerned shares, including the benefit to the client concerned.

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The Commission, considering your admission of default, paying out the concerned shares to the client and assurance of future compliance with the securities laws, has decided to dispose of the proceedings against the Stock Dealer/DP by placing on record the Commission's dissatisfaction on the defaults/violation made by it, with a warning to ensure compliance of all securities related laws in future.

Please note that this disposal does not absolve you from your lawful responsibilities/obligations to any person, if affected as a result of your above said defaults.

For Securities and Exchange Commission

Md. Mizanur Rahman
Director

Copy for information:

Chief Executive Officer, Chittagong Stock Exchange Ltd.
Chief Executive Officer, Central Depository Bangladesh Limited
P.O. to Executive Director (R&D), SEC
P.O. to Executive Director (SRMID), SEC
P.O. to Executive Director (CDS), SEC
P.O. to Executive Director (Registration), SEC
Director (MIS), SEC
Chairman's Office, SEC