

SEC/Enforcement/536/2006/121
February 4, 2006

Dawn International
Stock Broker & DP
DSE Member No.141
Depository Participant (DP) No.83
Room No.311-312, DSE Building
9F Motijheel C/A
Dhaka-1000

Attention: **Proprietor**

Subject: **Non-compliance of securities laws in connection with shares in clearing account on record date-WARNING**

It appeared from the copy of letter of Central Depository Bangladesh Limited dated October 10, 2006 addressed to Dawn International (Stock-Dealer/DP) that Clearing Accounts of Dawn International had a balance of 480 shares of Southeast Bank Limited on September 28, 2006, i.e. on record date, which means Dawn International did not make timely payout to its clients' account depriving the clients concerned the benefits arising from the corporate action of the issuer.

The Commission's Directive No.GmBwm/wmwGm/2:22/99/87 Zwi Lt 08 b†f††, 2005Bs, issued under avi v 14 of wWcwRUwi AvBb, 1999 (1999 m†bi 6bs AvBb), reads as under:

Óti KW†W†U †Kvb tetKvi ev wWjvi wKqwiis wmw†te (Clearing Account) ms†kÉ †Kv†úv†xi †Kvb wmwKDwi wJ ivL†Z cvi †eb bv|Ó

It also appeared that by doing so, Dawn International has violated the above directive of the Commission.

The Stock Broker's/DP's aforementioned non-compliance/violation appeared to be deliberate attracting penal provision of avi v 14(2) of the wWcwRUwi AvBb, 1999.

A show-cause-cum hearing notice No.SEC/Enforcement/536/2006/1187 dated December 5, 2006 was issued to the Stock Broker under said avi v 14(2) of the wWcwRUwi AvBb, 1999 to appear for hearing for above said non-compliance/contravention, along with written explanation. The hearing was conducted on January 21, 2007.

At the time of hearing the Stock Broker submitted a letter stating, among others, that it had not paid out the said shares from its Clearing Account due to technical problem. They further mentioned that they 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 with benefit and assurance for future compliance with the securities laws, has decided to dispose of the proceedings against the Stock Broker/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

Mansur Alam
Executive Director

Copy for information:

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