



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

(Securities Market Division)

Market Supervision & Capital Issues Department

No. 1(07) BS/KSE/MSW/SMD/2009

December 21, 2011

The Chief Executive,
First Capital Equities Limited,
610, Stock Exchange Building,
Stock Exchange Road,
Karachi.

Subject: Pre-Existing Interest in the scrip of Hub Power Company Limited (“HUBCO”)

Dear Sir,


This is with reference to your letter dated December 2, 2011 in response to the Commission’s letter of even number dated November 30, 2011 on the subject noted above.

2. In this regard, please note that review of your said reply shows that your brokerage house erroneously sold 185,000 shares of HUBCO in excess of client’s original order for sale of 500,000 shares. The sale of excess shares shows that you have failed to exercise due care and skill in conduct of your business.

3. The Code of Conduct set forth under the third schedule of the Brokers and Agents Registration Rules, 2001 (“**the Rules**”), makes it binding on the brokers of the exchanges to conduct their business with due diligence, care and skill failing which appropriate action can be taken against the broker under Rule 8 (a) and (b) of the Rules.

4. The execution of excess sale in the scrip of HUBCO in your client’s account through your terminal does not depict that you conducted your business with due care and skill which is a violation of Code of Conduct. However, on this occasion taking a lenient view, you are strictly warned to abstain from trading in such manner in future failing which appropriate action will be taken.

Yours sincerely,



(Imran Inayat Butt)

Director/ HOD (MSCI)

o/c
CC: Managing Director,
Karachi Stock Exchange (Guarantee) Limited,
Stock Exchange Road,
Karachi.