



Securities and Exchange Commission of Pakistan

BEFORE APPELLATE BENCH NO. I

In the matter of

Appeal No. 29 of 2015

Etezaz Ud Din Ahmed

...Appellant

Versus

(i) Director/HOD (MSRD) Securities and
Exchange Commission of Pakistan

(ii) Black Stone Equities (Private) Limited

...Respondents

Dates of Hearing 21/01/16, 01/02/16

Present:

Appellant:

Mr. Etezaz Ud Din Ahmed

For the Respondent No.1:

- (i) Mr. Nasir Askar, Director (SMD)
- (ii) Mr. M. Arshad, Joint Director (SMD)
- (iii) Mr. Tahir Mahmood Kiani, Deputy Director (SMD)
- (iv) Ms. Nazish Zubair, Deputy Director (SMD)

For the Respondent No. 2

- (i) Dr. Iftikhar Ahmad, CEO, Black Stone Equities (Pvt.) Ltd
- (ii) Ms. Sara Seerat, Legal Advisor, Black Stone Equities (Pvt.) Ltd



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ORDER

1. This order is in appeal No.29 of 2015 filed under section 33 of the Securities and Exchange Commission of Pakistan (Commission) Act, 1997 by Mr. Etezaz ud Din Ahmed (Appellant) against the order dated 24/03/15 (Impugned Order) passed by the Respondent No.1.
2. The Appellant was the complainant in the matter initiated through Show Cause Notice (SCN) under section 22 of the Securities and Exchange Ordinance 1969 (Ordinance) against M/s Black Stone Equities (Pvt.) Limited (Respondent No.2). Brief facts of the case are that the Appellant filed a complaint against Respondent No.2 and alleged that he had invested a total sum of Rs.4.84 million with Respondent No.2 up until June 2013 for stock trading but Respondent No.2 failed to trade in his account and shares were not transferred in his sub-account maintained with the Central Depository of Pakistan Limited (CDC). The Appellant sought recovery of Rs.2.38 million against his fictitious losses booked by the Respondent No.2 and payment of Rs.3.00 million for using his capital for personal gains by Respondent No.2.
3. The Respondent No.1 forwarded the complaint of the Appellant to the Islamabad Stock Exchange (ISE) on 23/12/13 for resolution as per its regulations. The Respondent No.1 received an award dated 01/12/14 forwarded by ISE which disclosed regulatory violations on the part of Respondent No.2. As per award most of the shares of the Appellant were not transferred in his account during the period July 2008 to 30/06/13.
4. In view of the above, SCN under section 22 of the Ordinance and Rule 8 of the Brokers and Agents Registration Rules 2001 (Broker Rules) was issued by Respondent No.1 to the Respondent No.2. Hearing in the matter was held on



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10/02/15 which was attended by the CEO of Respondent No.2. During the hearing, CEO of Respondent No.2 admitted the violations, however, it was requested that a lenient view is taken. The Respondent No.1 being dissatisfied with the submissions imposed a penalty of Rs.500, 000/- on Respondent No.2.

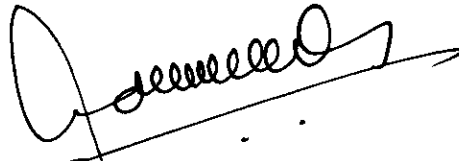
5. The Appellant preferred the instant appeal against the Impugned Order and hearing was conducted by the Appellate Bench on 16/09/15. The Impugned Order was set aside by the Appellate Bench vide Order dated 21/09/15 and remanded the same to the Respondent No.1 to probe the matter further under the Ordinance and fully address the grievance of the Appellant so that losses suffered by him are compensated within 45 days of the passing of the Order and report to the Appellate Bench.
6. The Respondent No.2 appealed against the Order of the Appellate Bench in the Islamabad High Court in Commercial Appeal No.7 of 2015. The Islamabad High Court set aside the Appellate Bench Order vide Order dated 17/12/15 and remanded the same to the Commission to decide the matter afresh after providing an opportunity of hearing to the Respondent No.2.
7. The Appellate Bench in compliance of the Order of the Islamabad High Court conducted a fresh hearing on 21/01/16 which was adjourned until 01/02/16 on request of Legal Advisor for Respondent No.2 to submit written reply to the Appeal within three working days. The Appellant also submitted a rebuttal to the reply filed by Respondent No.2. Finally on 01/02/16, the Appellant, Representatives of Respondent No.1 and Legal Advisor for Respondent No.2 made their verbal submissions to the Bench. However, the Appellant at the end of his arguments stated that he would like to forgive Respondent No.2 in the name of Allah Almighty and withdraw his Appeal. Simultaneously, a written letter/request dated 01/2/16 was submitted to the Bench confirming his stance.



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8. In view of the fact that the Appellant has submitted request to withdraw his Appeal, the Appeal is dismissed as withdrawn.

9. Parties to bear their own cost.



(Zafar Abdullah)
Commissioner (SCD)



(Tahir Mahmood)
Commissioner (CLD)

Announced on: 09 FEB 2016