

Press Release

SEC Penalises Nine KSE Brokerages Firms

ISLAMABAD – August 30, 2005: The Securities and Exchange Commission of Pakistan (SEC) has penalized nine brokerage companies/firms of the Karachi Stock Exchange (KSE) for failing to maintain high levels of integrity and fairness in the conduct of their businesses and for indulging in improper conduct on the stock exchange. These companies/firms were found to be engaged in or have allowed trades in the market merely for the purpose of creating a false impression of trading activity in particular scrips (wash trades), in violation of Rule 8(iv) of the Brokers and Agents Registration Rules, 2001.

These companies were issued show cause notices, following which they were called upon for hearing. Consequently, the SEC imposed an aggregate penalty of Rs. 5,25,000 on the companies.

The following brokerage companies/firms have been fined the following amounts:

No	Company Name	Fine Amount (Pkr)
1	DJM Securities	25,000
2	M. S. Securities	25,000
3	Time Securities	25,000
4	First National Equities	50,000
5	M Nadeem Abdul Ghaffar	50,000
6	Taurus Securities	50,000
7	Worldwide Securities	100,000
8	Moosani Securities	100,000
9	Sherman Securities	100,000

These brokerage companies/firms have been asked to deposit their fines, no later than 30 (thirty) days from the date of issuance of the respective orders.