



# Securities and Exchange Commission of Pakistan

Securities Market Division  
Licensing and Capital Issues Department

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Before the Director / HOD (Licensing & Capital Issue Department)  
Securities Market Division  
Securities and Exchange Commission of Pakistan

In the matter of Complaint Lodged by Ch. Muhammad Yousuf  
vs.  
M/s. PACE Investment and Securities (Private) Limited

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<b>Date of Hearing:</b>	November 23, 2015
<b>Present at the Hearing:</b>	
<b>Representing Complainant:</b>	1. Ch. Muhammad Yousuf, Complainant
<b>Representing PACE Investment &amp; Securities (Private) Limited:</b>	1. Iftikhar Ahmed (CEO) 2. Farrukh Seer Khan (Settlement In-charge)
<b>Assisting the Director / HOD (LCID):</b>	1. Muhammad Arshad, Joint Director (LCID) 2. Muhammad Bashir Awan, Assistant Director (LCID)

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## ORDER

This Order will dispose of the proceedings initiated by the Securities and Exchange Commission of Pakistan (the "Commission") upon receipt a complaint from Ch. Muhammad Yousuf (the "Complainant") against PACE Investment & Securities (Private) Limited (the "Respondent") a Trading Right Entitlement Certificate ("TREC") holder of Islamabad stock Exchange Limited ("ISE").

2. The facts of the matter leading up to the instant Order are that the Complainant alleged that Respondent has made unauthorized trading in his account maintained with it. He further alleged that he hold 2,500 shares (Two thousand and five hundred) of M/s. Lafrage Pak Cement Ltd. ("LPCL") in his CDC Sub-account No. 40010068 maintained under the Participant ID of the Respondent and that the Respondent sold these shares without informing to the Complainant.

3. ISE was advised vide letter dated September 10, 2015 by the Commission to take up the matter with the Respondent. In this regard, the ISE vide its letter dated September 11, 2015 informed the Commission that the Complainant had already lodged a complaint with the ISE on June 25, 2015 and as per procedures of ISE, the Respondent was advised to furnish its comments. In response, the Respondent





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informed that the Complainant sold all of his LPCL shares (i.e. 2,500 shares) @ 2.65 on August 18, 2010 and received payment of Rs.5,055/- against the sale of these shares through Chq # 0283392 on October 21, 2010. The Complainant acknowledged the receipt of the cheque and closure of his account by signing voucher # 1637 dated October 21, 2010. Thereafter ISE called a hearing on August 6, 2015 whereby the Complainant denied all the assertions of the Respondent and despite detailed discussion, the matter could not be resolved. Therefore, ISE advised both the parties to apply for arbitration under clause 26 of General Regulations of the Exchange. However, neither of them applied for arbitration.

4. The Commission vide letter dated September 15, 2015 forwarded the comments of ISE to the Complainant and informed him that in light of the comments received from ISE, the matter stood closed at its end. Subsequently, the Complainant vide his letter dated October 15, 2015 informed the Commission that the matter is still disputed and asserted that the Respondent has fraudulently sold his shares. Accordingly the Commission vide letters dated October 21, 2015 and November 10, 2015 advised the Complainant to approach ISE for resolution of his grievances. But, the complainant did not approach ISE. However, the Complainant personally visited the Commission and requested to investigate the matter.

5. In order to provide a reasonable opportunity to the Complainant and the Respondent to explain their point of view, a hearing in to the matter was fixed for November 23, 2015 at 11:00 a.m. at Commission Head Office in Islamabad.

6. On November 23, 2015, the Complainant and the Respondent appeared before the under signed. The Respondent submitted that it had paid full amount against sale of shares belonging to the Complainant and had closed his account on October 21, 2010. In support of their stance, the Respondent produced copy of the voucher which was counter signed by the Complainant. The assertions made by Complainant be summarized as under:

- i. The Respondent has sold his shares fraudulently without any authorization by him.
- ii. The Respondent should show any proof to substantiate its claims that it sold his shares on his instructions.
- iii. The value of shares has considerably increased subsequently.

7. During the course of hearing, the Complainant was asked whether he had received the cheque from the Respondent on October 21, 2010. In response, the Complainant admitted the receipt of under reference cheque from the Respondent, with the assertion that the said cheque did not mention the purpose for which it was issued. The Complainant was further asked whether he had signed the aforesaid voucher. The Complainant replied that the signatures appearing on the abovementioned voucher were his and the customer copy of the voucher was also available with him.





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8. In order to arrive at decision, I have examined all the facts, evidences and documents available on record and the verbal submissions made by the Complainant and the Respondent. The Complainant has admitted the receipt of cheque # 0283392 on October 21, 2010 through which payment of Rs.5,055/- was made to him by the Respondent. Besides he has also admitted the genuineness of his signatures affixed on voucher # 1637 dated October 21, 2010. It is worth mentioning that the voucher clearly stated that the cheque represents the proceeds in his account and the closure of his account. A scanned copy of the said voucher is pasted below for ready reference.

FACE INVESTMENT & SECURITIES (PVT) LIMITED  
CORPORATE MEMBER  
Islamabad Stock Exchange (G) Ltd.  
Plot No. 103-105, 1st Floor, ISE Building,  
Blue Area, Islamabad.  
Tel: 2272121, 2277243, Fax: 051-2277243

POSTED  
No. 1637  
Date: 21-10-10

PAYMENT VOUCHER

Paid to: Mr. Nasir Askar A/C No. CB2V

The sum of Rupees Five Thousand Five Hundred and 00/100  
Rs/- 5055

Cash / Cheque / Draft No. 0283392 Drawn on bank Bank


In Account Payment for RTA Account No. closed

Receiver Signature Nasir Askar

For Face Investment & Securities (Pvt) Ltd.  
Authorized Signature

9. With regard to his contention that the cheque did not mention the purpose of payment, it is stated that the voucher which he received with the cheque contained the purpose for which the cheque was issued to him. The Complainant could have raised the issue of unauthorized sale of his shares when he received the cheque and voucher on October 21, 2010. However, he did not raise the issue at that time. Thus, in my opinion, this substantiates that the shares were sold on the advice of the Complainant. With regard to argument of the Complainant regarding subsequent increase in value of shares, I am of the view that it is irrelevant as he had already sold his shares in October 2010.

10. In view of the foregoing, I am of the opinion that the Complainant has failed to substantiate his claim against the Respondent; therefore, the complaint of the Complainant is not maintainable, thus dismissed.

  
Nasir Askar  
Director / HOD (CID)

Announced on December 01, 2015  
Islamabad.

