



Securities and Exchange Commission of Pakistan

Securities Market Division

Market Surveillance and Special Initiative Department

Confidential

No. 1(38) BS/KSE/MSW/SMD/2013

January 22, 2014

The Chief Executive,
Adam Securities Private Limited,
33, Old Stock Exchange Building,
Stock Exchange Road,
Karachi.

Subject: Warning letter - Pre-Existing Interest in the Shares of Bank Al-Falah Limited ("BAFL")

This is with reference to your letter dated November 13, 2013 in response to our letter No. 1(38) BS/KSE/MSW/SMD/2013 dated November 11, 2013 on the subject noted above.

2. The Commission asserts that merely acknowledging and regretting a mistake does not absolve you from the adverse consequences of the subject violation. We are of the view that being a brokerage service provider, it is your prime responsibility to strictly monitor all activities being carried out through your brokerage house.
3. Moreover, 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, and any failure lead to penal action under Rule 8 (a) and (b) of the Rules.
4. However, taking a lenient view on this occasion, you are hereby warned to abstain from trading in such a manner in future failing which appropriate action will be taken against you.

Yours Truly,

Abid Hussain
Director / HOD (MSSID)