



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,
Capital Vision Securities (Pvt.) Limited,
505 - 510, Lahore Stock Exchange Building,
19, Khayaban-e-Aiwan-e-Iqbal,
Lahore.

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

Dear Sir,

This is with reference to your letter dated November 21, 2013 in response to our letter No. 1(38) BS/KSE/MSW/SMD/2013 dated November 11, 2013 on the subject noted above.

2. In this regard, please note that the explanation provided by you in the aforementioned letter does not contain sufficient justification for placing of sale orders without having pre-existing interest in your client's account.

3. It is pertinent to mention here that shares sold in client account were not eligible for short sale as provided in clause 8 (i) of the Regulations for Short Selling under Ready Market, 2002. Please note that 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 leads to appropriate action against the broker 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)