

**BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI**  
**CONSENT ORDER**  
**ON APPLICATIONS SUBMITTED BY**  
**SAM GLOBAL SECURITIES LTD. AND GLOBE CAPITAL MARKET LTD.**

**IN THE MATTER OF**  
**TRADING ON MAY 17, 2004**  
**(CONSENT APPLICATION NOS. 227 OF 2007 AND 529 OF 2008)**

1. SEBI had conducted investigations into the unusual market movement in 15 shares on May 17, 2004. This, *prima facie*, revealed that certain entities, including SAM Global Securities Ltd. (SGSL) and Globe Capital Market Ltd. (GCML) (hereinafter referred to as the 'applicants'), had portrayed bearish outlook to their clients through SMS's and e-mails. The applicants also committed various other irregularities such as trading through unregistered sub-broker, non-compliance with the code of conduct for stock brokers, non-adherence to KYC norms and unauthorized distribution of trading terminals, etc.
2. Accordingly, SEBI issued Show Cause Notices dated November 23, 2004 to the applicants under sections 11 and 11B of the SEBI Act 1992 alleging various violations. SGSL and GCML replied to the said Notices vide letters dated December 18, 2004 and December 10, 2004 respectively. An opportunity of personal hearing was given to SGSL on February 09, 2005 which it availed. GCML was given three opportunities of personal hearing on February 09, 2005, April 01, 2005 and March 03, 2006. Though the party was present on March 03, 2006, the hearing could not take place.

3. SEBI also initiated Enquiry Proceedings and Adjudication Proceedings against SGSL and GCML vide Show Cause Notices dated December 06, 2004 and November 17, 2006 respectively for the alleged violation of the provisions of the SEBI (Stock Broker and Sub-broker) Regulations, 1992 and the SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003. SGSL submitted replies vide letters dated January 07, 2005 and December 08, 2006. GCML submitted replies vide letters dated January 06, 2005 and December 05, 2006.
4. While the above proceedings were in progress, the applicants, vide letters dated September 24, 2007 and January 31, 2008 respectively, proposed settlement of the said proceedings through a consent order in terms of SEBI Circular No. EFD/ED/Cir.-1/2007 dated April 20, 2007. They proposed revised consent terms vide letters dated April 28, 2008 and May 15, 2008 respectively. The High Powered Advisory Committee constituted by SEBI, after deliberations, recommended the cases for settlement. Accordingly, the applicants shall pay Rs 15,00,000 (Rupees fifteen lakh only) each towards settlement charges. SEBI accepted the recommendations and communicated the same to the applicants vide letters dated September 23, 2008.
5. Accordingly, the applicants, without admitting or denying the charges, have remitted a sum of Rs. 15,00,000 (Rupees fifteen lakh only) each (Total Rs.30,00,000) vide demand draft no. 638252 dated September 24, 2008, drawn on HDFC Bank payable at Mumbai and demand draft no. 498942 dated October 06, 2008, drawn on ICICI Bank, payable at Mumbai, towards settlement charges.
6. In view of the above, it is hereby ordered that this consent order disposes of the said section 11B, Enquiry and Adjudication Proceedings pending against the applicants in the matter of Trading on May 17, 2004.

7. This order is without prejudice to the right of SEBI to initiate enforcement action, including commencing / reopening of the pending proceedings against the applicants, if:
- a. any representation made by the applicants in this consent proceedings is subsequently discovered to be untrue;
  - b. the applicants breach any of the consent terms or undertakings filed in this consent proceedings with SEBI.
8. This consent order is passed on this day, the 22<sup>nd</sup> of December, 2008 and shall come into force with immediate effect.

**M. S. SAHOO**

**WHOLE TIME MEMBER**

**K. M. ABRAHAM**

**WHOLE TIME MEMBER**