

**THE SECURITIES AND EXCHANGE BOARD OF INDIA
CONSENT ORDER
ON THE CONSENT APPLICATION NO. 188 OF 2007**

**SMIFS SECURITIES LIMITED
(NOW KNOWN AS STEWART AND MACKERTICH
WEALTH MANAGEMENT LIMITED)**

1. The Securities and Exchange Board of India (SEBI) had conducted investigation into the alleged irregular trading in the shares of DSQ Biotech Limited (hereinafter referred to as the 'Company') during the period December 1999 and January 2001. The investigation, inter alia, revealed that SMIFS Securities Limited (now known as Stewart and Mackertich Wealth Management Limited) (hereinafter referred to as the applicant), had on behalf of its clients, who were found to be related entities, entered into non-genuine transactions in the scrip of the company which created artificial volumes and influenced the price of the scrip of the company. By entering into such fraudulent trades, the applicant was alleged to have actively aided and abetted its clients in the execution of such fraudulent trades which interfered with the normal price discovery mechanism of the stock exchanges. Therefore, the applicant was alleged to have violated Regulation 4 (a) to (d) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995 read with clause A (1), (2), (3), (4) and (5) of the Code of Conduct specified in Schedule II of Regulation 7 of the SEBI (Stock Brokers and Sub-brokers) Regulations, 1992.
2. In view of the same, enquiry proceedings were initiated under the SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002 against the applicant by appointing an Enquiry Officer in July 2005. The Enquiry Officer had issued a notice dated October 25, 2005

to the applicant under Regulation 6 of the SEBI (Procedure for Holding Enquiry and Imposing Penalties by the Adjudicating Officer) Regulations, 2002 advising the applicant to show cause as to why proceedings under the said regulations should not be initiated against it for the aforesaid violations. Upon conclusion of the proceedings, the Enquiry officer vide his Report dated October 18, 2007 recommended suspension of the certificate of registration granted to the applicant for a period of three months.

3. In the meantime, the applicant on October 08, 2007 had proposed settlement of such proceedings through a consent order in terms of the SEBI Circular No. EFD/ED/Cir-1/2007 dated April 20, 2007. The said application was placed before the High Powered Advisory Committee (HPAC) constituted by SEBI, which in its meeting held on July 21, 2011 considering the facts and circumstances of the case including the settlement of cases against entities in related cases and the material brought before it by SEBI and recommended that the aforesaid violation may be settled on the condition that the applicant makes a payment of `2,31,50,000/- (Rupees Two Crores Thirty-one Lakh Fifty Thousand only) towards settlement charges. SEBI accepted the said recommendations and communicated the same to the applicant vide letter dated August 29, 2011.
4. Accordingly, the applicant, without admitting or denying the charges, remitted a sum of `2,31,50,000 (Rupees two crore thirty one lakh fifty thousand only) vide demand draft No. 006643 dated September 07, 2011 drawn on HDFC Bank Ltd., Bharath House, Mumbai towards the settlement charges.
5. In view of the above, it is hereby ordered that this consent order dispose off the pending enquiry proceedings initiated against the applicant for the alleged irregular trades carried out by it between December 1999 to January 2001 in the scrip of DSQ Biotech Limited.

6. This order is without prejudice to the right of SEBI to initiate enforcement actions, including commencing or reopening of the proceedings pending against the applicant, if:
- a. any representation made by the applicant in these consent proceedings is subsequently discovered to be untrue; or
 - b. the applicant breaches any of the consent terms or undertaking filed in these consent proceedings.
7. This consent order is passed on this day, the 28th of September, 2011 and shall come into force with immediate effect.

U. K. SINHA
CHAIRMAN

PRASHANT SARAN
WHOLE TIME MEMBER