



IN THE REPUBLIC OF TRINIDAD AND TOBAGO

THE TRINIDAD AND TOBAGO SECURITIES AND EXCHANGE COMMISSION

In the matter of the Securities Act Chapter 83:02 of the Laws of the Republic of Trinidad and Tobago (“the Act”) and Part VIII of the Securities Industry (Hearings and Settlements) Practice Rules 2008 (“the Rules”)

And

In The Matter of the application for, and purchase of, 659,588 First Citizens Bank Limited’s shares by Mr. Hassan Philip Rahaman on 12th August 2013 and his subsequent sale of 634,588 First Citizens Bank Limited’s shares on January 14, 2014 and the alleged contravention of sections 91(1), 91(2) and 94 of the Act (“the Matter”)

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SETTLEMENT AGREEMENT
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THIS SETTLEMENT AGREEMENT is made in duplicate ^{20th} the *December* day of Two Thousand and Nineteen Between the **STAFF OF THE TRINIDAD AND TOBAGO SECURITIES AND EXCHANGE COMMISSION**, a body corporate established under the Securities Act, Chap. 83:02 of the Laws of the Republic of Trinidad and Tobago and having its principal place of business at Levels 22-23, Tower D, International Waterfront Centre, No. 1 Wrightson Road, in the City of Port of Spain, in the Republic of Trinidad and Tobago (the “**Staff**”) of the One Part and **MR. HASSAN PHILIP RAHAMAN**, of [REDACTED] [REDACTED] in the Republic of Trinidad and Tobago of the Other Part.

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PART 1 -- INTRODUCTION

1. By Notice of Hearing dated 20th July 2018 (“the **Notice of Hearing**”) as amended by letters dated 17th September 2018, 5th October 2018 and 25th January 2019 (“the **Amended Notice of Hearing**”), the Trinidad and Tobago Securities and Exchange Commission (“the **Commission**”), advised Mr. Hassan Philip Rahaman (“the **First Respondent**”) that the Commission’s Board of Commissioners have resolved to hold a hearing pursuant to Section 159(1) of the Securities Act Chap. 83:02 of the Laws of the Republic of Trinidad and Tobago (“the **Act**”) to determine whether Imtiaz Rahaman (“IR”), the First Respondent, Bourse Brokers Limited (“BBL”) and Mr. Subhas Ramkhelawan (“SR”) (collectively referred to hereinafter as the “Respondents”), jointly and/or severally contravened Section 91(1), Section 91(2) and/or Section 94 of the Act;
2. The decision to initiate administrative proceedings was as a result of the Staff’s investigation into the First Respondent’s purchase of 659,588 shares in the First Citizens Bank Limited (“**FCB**”) Initial Public Offering (“**IPO**”) on 12th August 2013 and the subsequent acquisition of 634,588 FCB shares by Mr. Imtiaz Rahaman (“IR”) through Bourse Brokers Limited, on 14th January 2014.
3. By letters dated 18th July 2019 and 13th September 2019, the First Respondent requested to enter into settlement discussions with the Staff pursuant to Rules 61 and 62 of the Securities Industry (Hearings and Settlements) Practice Rules, 2008 (“the **Rules**”).

PART II -- JOINT SETTLEMENT RECOMMENDATION

4. The Staff and the First Respondent have arrived at a proposed settlement agreement, and have agreed to a resolution and disposition of the proceedings against the First Respondent in the interest of all stakeholders including the public, in accordance with the terms and conditions as set out in this Settlement Agreement.

5. Pursuant to such resolution and disposition, the Staff recommends:
- a. the withdrawal of all proceedings against the First Respondent arising out of or in connection with the subject matter of the proceedings against the First Respondent on such date subsequent to the approval of this Settlement Agreement as shall be agreed between the parties hereto, and
 - b. such withdrawal shall be in full and final settlement of the proceedings against the First Respondent upon the terms and conditions set out in this Settlement Agreement being satisfied by the parties hereto, which terms have been arrived at, without any admission of wrongdoing or guilt or of the truth of any of the claims or allegations asserted in this action or any other action or proceeding or of any violation of any law whether civil or criminal or otherwise on the part of the First Respondent.
6. The Staff and the First Respondent agree that the terms of this Settlement Agreement will, subject to Part X of this Settlement Agreement, be released to the public only if and when the Settlement Agreement is approved by the Commission.

PART III -- ACKNOWLEDGEMENT

7. Both the Staff and the First Respondent agree with the facts set out in Part IV herein below for the purposes of the matters contained in this Settlement Agreement.
8. Notwithstanding any other provision herein, if this Settlement Agreement is approved by the Commission, and any party hereto fails to comply with any of the terms of this Settlement Agreement (“the **Non-Compliant Party**”), the Staff and the First Respondent reserve the right to bring proceedings against such Non-Compliant Party for breach of the relevant terms of this Settlement Agreement and every waiver of claim contained herein in favour of such Non-Compliant Party shall be deemed null and void in relation to that Non-Compliant Party only.

PART IV – FACTS

9. The First Respondent, was employed as the Chief Risk Officer at FCB. He held this position from January 2012 to 25th March 2014 during which time he had responsibility for identifying, measuring, managing and mitigating the operational, market and credit risks exposures for FCB.
10. During the year 2013, IR was the Deputy Chairman of the Rahamut Group of Companies. The group of companies included, Caribbean Metal Industries Limited, CEDI Holdings Limited, Island Ventures Company Limited, Olympic Manufacturing Limited, Olympic Rentals Limited and Rahamut Service Stations Limited (“the **Rahamut Group**”). Additionally, IR held positions of Chairman on the boards of both Bourse Securities Limited and Bourse Brokers Limited.
11. As a senior officer of FCB, the First Respondent was entitled to subscribe for shares in the FCB employee category of the FCB IPO, which was held in August 2013.
12. During the period June to August 2013, the First Respondent and IR held several meetings to discuss a request by the First Respondent to borrow funds from IR for the purposes of his subscription for shares in the FCB IPO in the approximate amount of Fourteen Million Trinidad and Tobago dollars (TT\$14,000,000.00), to be added to funds that he had been able to borrow from another facility.
13. On 12th August 2013, IR caused the Rahamut Group to advance to Bourse Securities Limited the sum of Thirteen Million Nine Hundred and Ninety-Nine Thousand, Nine Hundred and Forty-Two Trinidad and Tobago Dollars (TT\$13,999,942.00) for the purpose of the First Respondent’s subscription for shares in the FCB IPO.
14. On 12th August 2013, the First Respondent, through Bourse Securities Limited, submitted a subscription form for 659,588 shares in the FCB IPO at a consideration of \$14,499,936.00.

15. On 6th September 2013, the Trinidad and Tobago Central Depository confirmed that the First Respondent received the full allocation of the 659,588 FCB shares for which he applied through Bourse Brokers Limited.
16. As senior officer of FCB, the First Respondent's allocation of shares were subject to a black out period of ninety (90) days. This meant that the First Respondent could not trade his FCB shares, until after 18th December 2013.
17. On 8th January, 2014 the First Respondent sought and was provided with pre-clearance for the sale of their shares by FCB's Chief Compliance Officer over the period 13th January, 2014 to 31st January, 2014 which was outside of the black-out period.
18. On 10th January 2014, the First Respondent emailed the Fund Manager at Bourse Securities Limited to advise of his intention to sell approximately 634,000 of his FCB shares on 13th January 2014.
19. On 12th January 2014, IR wrote an email to the General Manager, Bourse Brokers Limited with instructions to purchase a total of 636,361 FCB shares from the "block identified".
20. On 12th January 2014, during a telephone conversation between the First Respondent and IR, the First Respondent told IR that he was retaining 25,000 of the FCB shares.
21. During this conversation the First Respondent and IR also discussed a net settlement. In the event that IR acquired some or all of the First Respondent's shares the amount owed by IR would be set off against the 13th August 2013 principal and interest. Further the net settlement would be executed independently outside of Bourse Brokers Limited.
22. In the telephone conversation on 12th January 2014 IR told the First Respondent that he was negotiating the commission for both the buy and sell sides of the trades as he could obtain a better commission rate.

23. By email dated 13th January 2014 the First Respondent instructed the Fund Manager of Bourse Securities Limited that the number of shares to be sold on the market on 14th January 2014 were 634,588. IR instructed Bourse Brokers Limited by email to take steps to ensure that he, another and the Rahamut Group of Companies successfully acquire all of the shares from the First Respondent's block of shares.
24. Bourse Brokers Limited replied by two emails. In the first email dated 12th January 2014 the General Manager of Bourse Brokers Limited stated that *"All efforts and trading strategies will be used to completely fill the order but please note that this is a trade that will be executed on the market and is subject to other orders (buy and sell) and the applicable prices in the market at the time of execution...."* In the second email dated 13th January 2014, Mr. Subhas Ramkhelawan stated that while the trades would be open market, the appropriate trading strategies should allow IR to obtain most if not all the shares sought.
25. On 14th January 2014, Bourse Brokers Limited, trading via the Global Vision System on the Trinidad and Tobago Stock Exchange, caused the First Respondent's sale order and the purchase orders of IR, another and the Rahamut Group of Companies to match, thereby completing the transaction ("the transaction").
26. The First Respondent prepared an indemnity in favour of Bourse Brokers Limited for all costs charges and payment in respect of 14th January 2014 trades. The letter also noted that there was a discussion between the First Respondent and Mr. Ramkhelawan that there was precedent for net settlement.
27. On 16th January 2014, in keeping with FCB's Insider Trading Policy, the First Respondent advised the Chief Compliance Officer that 634,588 shares had been sold on 14th January 2014.
28. On 17th January 2014, pursuant to Section 136(1) of the Securities Act 2012, the Commission was advised by the First Respondent in writing of the sale of his shares in the amount of 634,588.

PART V – THE BALANCING FACTORS INFLUENCING THE PARTIES’ AGREEMENT TO SETTLE

29. The decision to enter this Agreement to settle was made with regard to the following factors:

- (a) For the most part the salient facts with respect to the share applications on 12th August 2013 and the trades on 14th January 2014 and the dealings between the respondents in the Matter are not in dispute;
- (b) The parties have divergent views as to whether there has been any breach of the Act and in particular whether the trades contravened sections 91(1), 91(2) and 94 of the Act as alleged or at all;
- (c) The First Respondent’s response to the allegations by letter dated 19th July 2019;
- (d) The Commission’s obligations under the Act as regulator of the Trinidad and Tobago securities exchange market;
- (e) The First Respondent co-operated with Staff throughout its investigation which began in the month of March 2014;
- (f) The First Respondent has no prior disciplinary record in Trinidad and Tobago in the securities market;
- (g) The adverse public and professional scrutiny the First Respondent has received as a result of the transactions;
- (h) The length of time that the Matter has been outstanding and unresolved since the commencement of the investigation;

- (i) That the continuation of the proceedings without certainty as to the timeframe for its completion including the possibility of appellate or other available proceedings was likely to have the Matter unresolved for an indefinite period;
- (j) That it was in the public's interest for this matter to be resolved; and
- (k) Based on the foregoing factors, the public interest would be protected in accordance with the mandate of the Commission.

27. Without resiling from their respective positions, the Staff has proposed, and the First Respondent has agreed to pay an agreed sum, without any admission of liability, as further detailed below.

PART VI – THE RESPONDENT’S REPRESENTATIONS AND UNDERTAKINGS

28. Subject to the approval of this Settlement Agreement by the Settlement Panel and the Board of Commissioners, the First Respondent undertakes that:

- (a) he shall, without any admission as to liability whatsoever, pay to the Commission an agreed sum in the amount of **SEVEN HUNDRED AND FIFTY THOUSAND TRINIDAD AND TOBAGO DOLLARS (TT\$750,000.00)** in full and final settlement of the matters raised against the First Respondent in the proceedings; and
- (b) he shall comply with all other applicable terms, conditions, covenants, obligations and stipulations contained in this Settlement Agreement.

PART VII – TERMS OF SETTLEMENT

29. The First Respondent agrees to the terms of the settlement set forth herein and consents to the Order in substantially the form attached hereto as Schedule A, provided that this Settlement Agreement is approved by the Commission.



PART VIII – THE STAFF’S COMMITMENTS

30. If this Settlement Agreement is approved by the Commission, the Staff will not proceed against the First Respondent in the present proceedings or initiate any further civil or administrative proceedings or make any criminal complaint in respect of any conduct or alleged conduct of the First Respondent in relation to any facts, circumstances, information or matters disclosed in the present proceedings by the Staff and the First Respondent, whether as set out in Part IV of this Settlement Agreement or contained in the present proceedings, and any facts, circumstances, information or matters which became known to the Commission as a result of the Staff’s investigation into to the Matter (which, for the avoidance of doubt, includes all those facts and allegations set out in the Commission’s Notice of Adverse Report dated 19th February 2015) (“**Disclosed Facts**”).
31. The approval of this Settlement Agreement by the Commission shall be signified by the making of the Order, and such Order shall represent the complete and final resolution of the proceedings against the First Respondent for the alleged violations arising as a result of or in connection with the Disclosed Facts.
32. Provided always, that if this Settlement Agreement is approved by the Commission and the Respondent fails to comply with any of the terms of this Settlement Agreement, the Staff reserves the right to bring proceedings under the Act or other applicable law against the First Respondent based on, but not limited to, the Disclosed Facts, as well as the breach of the Settlement Agreement.
33. Subject to the approval of this Settlement Agreement by the Commission, the Staff agrees:
- (a) To comply with all other applicable terms, conditions, covenants, obligations and stipulations contained in the Settlement Agreement; and
 - (b) To recommend to the Commission that any and all allegations and/or claims made against the Respondent in relation to the Matter and in the Proceedings be withdrawn and/or settled in accordance with the provisions of the Rules and this Settlement Agreement.

PART IX -- PROCEDURE FOR APPROVAL OF SETTLEMENT AND EFFECT OF ORDER

34. Pursuant to Rule 63(1) of the Rules, the parties hereto will seek approval of this Settlement Agreement by the Settlement Panel of the Commission.
35. If necessary, the First Respondent will attend in person and/or be represented by Counsel, at a settlement hearing or other meeting, convened *in camera*, by the Settlement Panel.
36. The Staff and the First Respondent, each agree that:
- (a) the First Respondent irrevocably agrees to waive all rights to a full hearing, judicial review or appeal of this Matter under the Act;
 - (b) they will not make any public statement that is inconsistent with the Settlement Agreement to be issued by the Commission; and
 - (c) they will not make any adverse public comment about any other party and/or the role of or positions adopted by any other party to these proceedings.
37. If for any reason whatsoever, this Settlement Agreement is not approved by the Commission, this Settlement Agreement and all discussions and negotiations between the Staff and the First Respondent will be without prejudice and inadmissible against any of the parties hereto, so that any admissions as to facts and/or waivers of any rights, claims, actions or proceedings contained herein shall be null and void and of no effect and each party shall be entitled without restriction to pursue all available proceedings, remedies and challenges, including proceedings to continue the hearing of the allegations in the Notice of Hearing and submissions thereunder as though this Settlement Agreement had not been made.
38. An Order made by the Commission approving this Settlement Agreement shall release and forever discharge the First Respondent from, and represent the complete and final resolution

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of, any and all claims, demands, actions and causes of action (of every nature and kind whatsoever, whether asserted or unasserted, known or unknown) by the Staff against the First Respondent arising as a result of or in connection with the Disclosed Facts.

39. No person or agency other than the parties hereto, may rely upon the terms of this Settlement Agreement. If this Settlement Agreement is not approved by the Commission then no person or agency (including any of the Parties hereto) may rely on any statement, representation or agreement contained or set out in this Settlement Agreement.

PART X-DISCLOSURE OF THE AGREEMENT

40. The terms of this Settlement Agreement will be treated as confidential by all parties hereto until approved by the Commission. If, for any reason whatsoever, this Settlement Agreement is not approved by the Commission it shall remain confidential, except as may be required by law, provided that the First Respondent informs the Staff in writing of the requirement prior to the disclosure of same.

41. Each of the parties hereto undertakes and agrees that any statements that are to be made in relation to this Settlement Agreement and the proceedings shall be made in accordance with, and subsequent to the publication of the Settlement Agreement by the Commission.

PART XI - APPLICABLE LAW

42. This Settlement Agreement shall be governed, construed and interpreted in accordance with the Laws of the Republic of Trinidad and Tobago.

PART XII – EXECUTION OF SETTLEMENT AGREEMENT

IN WITNESS whereof the duly authorized representative of the Staff on behalf of the Staff and the First Respondent on his own behalf have hereunto set their hands the day and year first hereinabove written.

SIGNED by **Mr. Hadyn Gittens** as **Chief Executive**)
Officer for and on behalf of the Staff of the Trinidad and)
Tobago Securities and Exchange Commission in the)
presence of *CAROL HUGGINS-LEWIS*)
EXECUTIVE ASSISTANT)
as *TRINIDAD AND TOBAGO SECURITIES*)
AND EXCHANGE COMMISSION)



C. Huggins-Lewis

SIGNED by **Mr. Hassan Philip Rahaman** for and on his)
own behalf in the presence of *H. P. Rahaman*)
)
as *ANGEL VICTOR*)
Administrative Manager)
RIM + Co.)
15 Irving Street)
San Fernando)



SCHEDULE A



In the matter of the Securities Act Chapter 83:02 of the Laws of the Republic of Trinidad and Tobago (“the Act”) and Part VIII of the Securities Industry (Hearings and Settlements) Practice Rules 2008 (“the Rules”)

And

In The Matter of the application for, and purchase of, 659,588 First Citizens Bank Limited’s shares by Mr. Hassan Philip Rahaman on 12th August 2013 and his subsequent sale of 634,588 First Citizens Bank Limited’s shares on January 14, 2014 and the alleged contravention of sections 91(1), 91(2) and 94 of the Act (“the Matter”)

ORDER OF THE COMMISSION

Dated this day of , 2019

WHEREAS on 25th January, 2019 the Commission issued an amended Notice of Hearing (the “**Notice of Hearing**”) pursuant to Section 159 of the Act, in respect of the Mr. Hassan Philip Rahaman (“**the First Respondent**”) and certain other individuals and entities.

AND WHEREAS the First Respondent entered into a Settlement Agreement with the Staff dated 2019 (“**Settlement Agreement**”) in which the First Respondent agreed to the proposed settlement of the proceeding commenced by the Notice of Hearing (**the “Proceedings”**), subject to the approval of the Commission;

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AND WHEREAS the First Respondent has agreed without any admission of liability to pay the sum of **SEVEN HUNDRED AND FIFTY THOUSAND TRINIDAD AND TOBAGO DOLLARS (TT\$750,000.00)** to the Commission in full and final settlement of the matters raised against the First Respondent in the Proceedings.

AND WHEREAS the Settlement Panel of the Commission approved the Settlement Agreement and agreed to submit the Settlement Agreement to the Commission for its approval;

AND UPON the Board of Commissioners reviewing the Notice of Hearing and the Settlement Agreement and considering the submissions and undertakings contained therein; and

AND UPON the Board of Commissioners being satisfied that it is in the public interest to make this Order and that the making of this Order is essentially procedural and does not require a Hearing pursuant to Section 159(10)(a) of the Act.

IT IS HEREBY ORDERED THAT:

1. The Settlement Agreement is hereby approved; and
2. This Order shall be published in the Trinidad and Tobago Gazette and posted on the Commission's website. A notice of the posting shall be published in two (2) daily newspapers of general circulation in Trinidad and Tobago.

(Chairman)

(Deputy Chairman)

(Commissioner)

(Commissioner)

(Commissioner)

(Commissioner)

