



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 Phillip 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 the 20th day of December 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. IMTIAZ AZARD RAHAMAN** (hereinafter referred to as "IAR") of [REDACTED]
[REDACTED] in the Republic of Trinidad and Tobago of the Other Part.

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 IAR 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: IAR, Hassan Philip Rahaman ("HPR"), Bourse Brokers Limited ("BBL") and Mr. Subhas Ramkhelawan ("SR") 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 IAR's conduct arising out of HPR's purchase of 659,588 shares in the First Citizens Bank Limited ("**FCB**") Initial Public Offering ("**IPO**") on 12th August 2013 and the subsequent sale of 634,588 FCB shares to "IAR and others on 14th January 2014.
3. By letter dated 8th July 2019, IAR 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 IAR have arrived at a proposed settlement agreement, and have agreed to a resolution and disposition of the proceedings against IAR 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 IAR arising out of or in connection with the subject matter of the proceedings against IAR 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 IAR 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 wrong doing or guilt or of the truth of the claims or allegations asserted in this action on the part of IAR.
6. The Staff and IAR 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 IAR 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 IAR 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. During the year 2013, IAR 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, IAR held positions of Chairman on the boards of both Bourse Securities Limited and BBL.
10. HPR was the Chief Risk Officer at FCB, which entitled him to purchase shares in the FCB IPO in the employee category, which ranked first in priority to all other categories.
 11. During the period June to August 2013, IAR and HPR held several meetings with respect to a loan in the approximate amount of Fourteen Million Trinidad and Tobago Dollars (TT\$14,000,000.00) from IAR and other companies within the Rahamut Group to HPR, to facilitate his subscription of shares in the FCB IPO.
 12. On 12th August 2013, IAR and other companies within the Rahamut Group, on the request of HPR, delivered 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 HPR’s subscription for shares in the FCB IPO.
 13. On 12th August 2013, HPR, through Bourse Securities Limited, submitted a subscription form for 659,588 shares in the FCB IPO at a consideration of \$14,499,936.00.
 14. On 6th September 2013, First Citizens Investment Services Limited confirmed that HPR received the full allocation of the 659,588 FCB shares for which he applied.
 15. On 10th January 2014, HPR 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.
 16. On 12th January 2014, IAR wrote an email to the General Manager, BBL and copied to HPR, SR and others with instructions to purchase a total of 636,361 FCB shares from the “block identified”.
 17. On 12th January 2014, during a telephone conversation between HPR and IAR, HPR told IAR that he was retaining 25,000 of the FCB shares.

18. During this conversation HPR and IAR also discussed a net settlement in the event that IAR received some or all of HPR's shares, the amount owed by IAR would be set off against the 13th August 2013 loans. IAR also told HPR that in the event of a net settlement he would be able to negotiate a better commission for HPR.
19. After that conversation, by another email dated 12th January 2014 to the General Manager of BBL, and copied to SR, IAR revised downward the total number of shares that he was looking to purchase to 634,588 ("the Revised Buy Order").
20. On the morning of 14th January 2014, IAR agreed with SR to a commission of 35 basis points to BBL to apply to the buy side of the transaction in the event that IAR purchased some or all of the HPR's shares.
21. During this conversation IAR and SR also discussed that if IAR acquired the shares from HPR's Sell Order, the trade would be settled net in that the amount owed to IAR by HPR from the 13th August 2013 trade. There would be set off against the amount payable to HPR from IAR's purchase of his shares, as there was precedent for such a net settlement. In addition, BBL would receive no money with respect to the trades outside of its commission and would require an indemnity.
22. In accordance with IAR's instructions, on 13th January 2014, BBL entered IAR's buy order at a price of \$41.73 on the Trinidad and Tobago Security Exchange Global Vision System.
23. On 14th January 2014, BBL, trading via the Global Vision System on the Trinidad and Tobago Stock Exchange, was successful in obtaining for IAR, another and companies within the Rahamut Group of companies, HPR's 634,588 shares at \$42.15.

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

24. 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 trades on 12th August 2013 and 14th January 2014 and the dealings between IAR, HPR, SR and BBL in the Matter are not in dispute;
 - (b) The Staff and IAR did not agree as to whether the transactions contravened the Act;
 - (c) IAR co-operated with Staff throughout its investigation which began in the month of March 2014;
 - (d) IAR has no prior disciplinary record in Trinidad and Tobago in the securities market;
 - (e) The adverse public and professional scrutiny IAR has received as a result of the transactions;
 - (f) The length of time that the Matter has been outstanding and unresolved since the commencement of the Staff's investigation;
 - (g) That the continuation of the proceedings without certainty as to the timeframe for its completion was likely to have the Matter unresolved for an indefinite period;
 - (h) The Commission's obligation under the Act as regulator of the Trinidad and Tobago securities exchange market;
 - (i) That it was in the public's interest for this matter be resolved; and
 - (j) Based on the foregoing factors, the public interest would be protected in accordance with the mandate of the Commission.
25. Without resiling from their respective positions, the Staff has proposed, and IAR has agreed to the settlement terms as further detailed below.

PART VI – IAR's REPRESENTATIONS AND UNDERTAKINGS

26. Subject to the approval of this Settlement Agreement by the Settlement Panel and the Board of Commissioners, IAR undertakes that:
- (a) he shall, without any admission as to liability whatsoever, pay to the Commission the sum of **SEVEN HUNDRED AND FIFTY THOUSAND TRINIDAD AND TOBAGO**



DOLLARS (TT\$750,000.00) in full and final settlement of the matters raised against IAR 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

27. IAR 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

28. If this Settlement Agreement is approved by the Commission, the Staff will not proceed against IAR in the present proceedings or initiate any further civil or administrative proceedings in respect of any conduct or alleged conduct of IAR in relation to any facts, circumstances information or matters disclosed in the present Proceedings by the Staff and IAR, whether as set out in Parts IV of this Settlement Agreement or contained in the present Proceedings, and any facts circumstances information or matters which become known to the Commission as a result of the Staff’s investigation into 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 the 19th February 2015) (“**Disclosed Facts**”).
29. 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 IAR for the alleged violations arising as a result of or in connection with the Disclosed Facts.
30. Provided always, that if this Settlement Agreement is approved by the Commission and IAR 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 IAR based on, but not limited to, the Disclosed Facts, as well as the breach of the Settlement Agreement.

31. 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 claims made against IAR 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

32. 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.
33. If necessary, IAR will attend in person and/or be represented by Counsel, at a settlement hearing or other meeting, convened *in camera*, by the Settlement Panel.
34. The Staff and IAR, each agree that:
- (a) IAR 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 IAR or any other party and/or the role of or positions adopted by any other party to these proceedings.
35. 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 IAR

will be without prejudice and inadmissible against any of the parties hereto, so that any waivers of any rights, claims, actions or proceedings contained herein shall be null and void 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.

36. An Order made by the Commission approving this Settlement Agreement shall release and forever discharge IAR from, and represent the complete and final resolution 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 IAR arising as a result of or in connection with the Disclosed Facts.
37. 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

38. 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 IAR informs the Staff in writing of the requirement prior to the disclosure of same.
39. 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

40. 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 IAR 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 **MARSHA RICHARDS**



as **EXECUTIVE ASSISTANT**
LEVELS 22-23, TOWER D
INTERNATIONAL WATERFRONT CENTRE
1 WRIGHTSON ROAD
PORT-OF-SPAIN *M. Richards*

SIGNED by **Mr. Imtiaz Azard Rahaman** for and on his own behalf in the presence of



Neal Bisnath
as *attorney at law*
86 Abercromby St
P.O.S



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 Phillip 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 Mr. Imtiaz Azard Rahaman ("IAR") and certain other individuals and entities.

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

AND WHEREAS IAR has agreed to the settlement terms including payment in the amount of **SEVEN HUNDRED AND FIFTY THOUSAND TRINIDAD AND TOBAGO DOLLARS (TT\$750,000.00)** to be paid to the Commission in full and final settlement of the matters raised against IAR 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)