



# TRINIDAD AND TOBAGO Securities & Exchange Commission

## **SEC successfully concludes an enforcement matter- Chan Ramlal Limited pays maximum fine of \$100,000**

Arising from a hearing by the Trinidad and Tobago Securities and Exchange Commission ("SEC") into two contravention matters, Chan Ramlal Limited ("CRL") has agreed to pay the maximum fine of \$100,000.00. CRL conceded that it had contravened the law on two counts:

- i. It failed to issue and file a press release, as required by law, that it had acquired ten percent or more of the shareholding in Berger Paints Limited;*
- ii. It omitted to advise the SEC of material facts surrounding the subsequent sale of the shares in Berger Paints Limited in order to reduce its shareholding below the ten percent threshold.*

CRL was also directed at the Hearing to issue the press release on its shareholding in Berger Paints Limited as required under the law. On Tuesday, August 11, 2009 CRL published the press release on page 26 of the Newsday newspaper.

### **BACKGROUND**

In April 2008 the SEC's market surveillance staff observed that CRL had acquired ownership of 12 percent of the shares in Berger Paints Limited. Contrary to the law this fact had not been reported to the SEC by CRL. After ignoring several written requests for an explanation CRL finally responded to the SEC stating that its shareholding was no longer in excess of the 10 percent threshold.

Upon further investigation, the SEC discovered that while CRL had indeed sold a portion of the shares, the buyer was Devanand Ramlal, a Director and the majority shareholder of CRL. The SEC viewed the omission of this material fact as intentionally misleading and an attempt to create the impression that CRL was no longer in control of the shares in question. This was the basis for the second contravention.

### **MESSAGE TO MARKET PARTICIPANTS**

The SEC wishes to remind all market participants that it is their responsibility to understand and comply with the requirements of the law. The SEC is committed to ensuring transparency and fairness in the securities market and will take vigorous action against those who do not comply with the law.