

**IN THE ENFORCEMENT COMMITTEE ESTABLISHED IN TERMS OF  
SECTION 10(3), READ WITH 10A OF THE FINANCIAL SERVICES  
BOARD ACT, 97 OF 1990**

**CASE NO: 19/2011**

In the matter of:

**THE REGISTRAR OF FINANCIAL SERVICES PROVIDERS** Applicant

and

**COLLECTIVE INSURANCE BROKERS (PTY) LTD** Respondent  
**(Registration number 1999/024333/07)**

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**ORDER**

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WITH DUE CONSIDERATION to the settlement agreement (attached marked annexure "A") in terms of section 6B(7)(a) of the Financial Institutions (Protection of Funds) Act, No. 28 of 2001, I hereby determine that the Respondent contravened section 7(3) of the Financial Advisory and Intermediary Services Act, No.37 of 2002 during the period 01 May 2009 to 30 June 2011 and impose a penalty of R20 000 to be paid within seven days from the grant of this order. The remaining terms and conditions of the settlement agreement are incorporated and made an order of the Enforcement Committee.

I make no order regarding costs.

Signed at PRETORIA on 27 July 2011.

  
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C. F. Eloff

Chairperson of the Enforcement Committee.

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Applicant

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**COLLECTIVE INSURANCE BROKERS (PTY) LTD  
(Registration number 1999/024333/07)**

Respondent

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**SETTLEMENT AGREEMENT IN TERMS OF SECTION 6B(7)(a) OF THE FINANCIAL INSTITUTIONS (PROTECTION OF FUNDS) ACT, 28 OF 2001**

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**1. The parties**

- 1.1. The parties to the agreement are the Registrar of Financial Services Providers ("the Registrar") herein represented by German Emanuel Anderson in his capacity as the Deputy Registrar of Financial Services Providers; and
- 1.2. Collective Insurance Brokers (Pty) Ltd ("Respondent"), herein represented by Ms Z.L. Le Roux in her capacity as the key individual of the Respondent.



**2. The contravention**

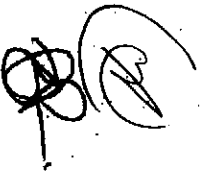
2.1. It is agreed between the parties that the Respondent contravened section 7(3) of the Financial Advisory and Intermediary Services Act, no 37 of 2002 ("the Act"), in that:

2.1.1. The Respondent during the period 1 May 2009 to 30 June 2011 had an agreement with Everest Funeral Solutions (Pty) Ltd (Everest) to sell, market and distribute funeral benefit policies;

2.1.2. Whilst selling, marketing and distributing the funeral benefit policies, Everest was acting as a financial services provider whilst it was not authorized to render financial services.

**3. The mitigating circumstances**

3.1. It is also been agreed that the following mitigating factors are relevant to the matter:



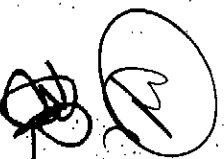
3.1.1. The contravention was as a result of the Respondent being under the mistaken impression that Everest was a duly appointed representative of MedKonsult (Pty) Ltd without independently establishing that this was in fact not correct.

3.1.2. The Respondent accepted responsibility for the contravention;

3.1.3. The Respondent fully co-operated with the Registrar's investigation and the enforcement action, and displayed sincere remorse for the oversight.

#### 4. The agreed penalty

4.1. In the light of the above, and in terms of section 6B(7)(a) of the Financial Institutions (Protection of Funds) Act, No 28 of 2001, the parties have agreed that the Respondent will pay a penalty of R20 000 in settlement of the matter within seven days from the date on which the order is granted by the Enforcement Committee.



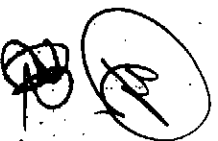
4.2. The parties humbly request that the Honorable Chairperson makes the settlement an order, as envisaged in section 6B(7)(b) of the Financial Institutions (Protection of Funds) Act.

**5. Other conditions**

5.1. This agreement is subject to approval by the Enforcement Committee and the parties specifically record that they are aware of the possibility that the Enforcement Committee may not accept the terms of this agreement.

5.2. If the Respondent does not comply with the terms of this agreement and it is necessary for the Financial Services Board (FSB) to proceed with legal proceedings, the Respondent herewith consents to pay all legal costs to the FSB on the Attorney and Client scale in terms of the High Court Rules inclusive of collection commission and Value Added Tax.

5.3. No leniency or postponement given by the FSB to the Respondent or any amendment to the terms and conditions of this agreement will be binding unless such postponement,



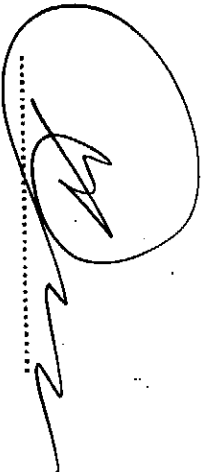
leniency or amendment is reduced to writing and signed by the parties.

5.4. Any receipt of a payment by the FSB after the due date shall be without prejudice to any of the rights of the FSB.

5.5. This Agreement shall not be a novation of the cause of action in terms whereof the Respondent was found to have contravened the Act.

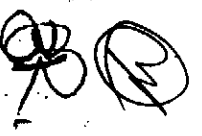
5.6. This agreement constitutes the whole agreement between the parties in respect of the offer to pay a penalty.

Signed at PRETORIA on 26 July 2011 on behalf of the Registrar



G E Anderson

Signed at Randburg on 25 July 2011 on behalf of Collective Insurance Brokers (Pty) Ltd.





Z.L. Le Roux

