

**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: 12/2011

In the matter of:

**THE REGISTRAR OF FINANCIAL SERVICES
PROVIDERS**

The Applicant

and

**EAGLE WATCH FINANCIAL SERVICES
(PTY) LIMITED**

Respondent

ORDER

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(1) of the Financial Advisory and Intermediary Services Act, No 37 of 2002, and impose a penalty of R50 000 to be paid on or before 1 September 2011. 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 the 27..... day of **JULY 2011**.


C F Eloff
Chairperson of the Enforcement Committee

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CASE NO: 12/2011

In the matter of:

**THE REGISTRAR OF FINANCIAL SERVICES
PROVIDERS**

The Applicant

and

EAGLE WATCH FINANCIAL SERVICES (PTY) LIMITED Respondent

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

1. The parties

1.1. The Registrar of Financial Services Providers is the Applicant in this matter that will be referred to the Enforcement Committee under case number 12/2011. The Applicant is herein represented by German Emmanuel Anderson.

1.2. Eagle Watch Financial Services (Pty) Limited is the Respondent in this matter. The Respondent is a private company incorporated in terms of the Companies Act, No 61 of 1973.



The Respondent is herein represented by Mr Christo Ian Clifford ("Clifford"), its Managing Director.

2. Background information to the agreement

2.1. Historically, Lanissa Traders Holdings (Pty) Ltd t/a Money Mentor Finance, a duly incorporated company, entered into joint venture agreements with construction companies to facilitate execution and delivery in terms of government contracts.

2.2. Clifford also managed the Respondent in this matter. Since July 2010, the Respondent rendered intermediary services as contemplated in the Financial Advisory and Intermediary Services Act, No 37 of 2002 ("FAIS Act"), with reference to short-term insurance (for materials on building sites and contractors all risk insurance) and long-term insurance (life insurance of contractors).

2.3. These intermediary services included the collecting and accounting for insurance premiums, and resulted in insurance agreements being entered into amongst contractors, Capital



Alliance Life Limited and Zurich Insurance Company South Africa Limited.

2.4. Consequently, the Respondent applied for a financial services provider ("FSP") licence in terms of section 8 of the FAIS Act on 10 December 2010. The application was declined on 13 April 2011, on the basis that the key individual of the Respondent failed to comply with the fit and proper requirements laid down by the Registrar of FAIS, and more specifically, due to a lack of experience and an appropriate qualification.

3. The contravention

3.1. For the period July 2010 to 15 May 2011, the Respondent acted as an FSP without having been issued with a licence to do so under section 8 of the FAIS Act, in contravention of section 7(1) of the FAIS Act.



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4. The mitigating circumstances

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

4.1.1. Nobody suffered prejudice as a result of the contravention;

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

4.1.3. The Respondent has since attempted to cure the basis on which its FSP licence was declined, and has re-applied;

4.1.4. The respondent has ceased all operations until he obtains his FSP licence.

5. The agreed penalty

5.1. In the light of the above, and in terms of section 6B(7)(a) of the FI Act (Financial Institutions (Protection of Funds) Act, No 28 of 2001), the parties have agreed that the Respondent will



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pay a penalty of R50 000 in settlement of the matter, on or before 1 September 2011.

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

6. Other conditions

6.1. 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.

6.2. If the Respondent does not comply with the terms of this agreement and it is necessary for the 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.

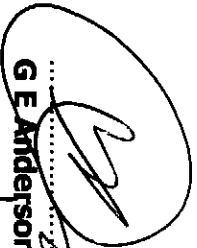



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6.3. Any receipt of a payment by the FSB after the due date shall be without prejudice to any of the rights of the FSB.

6.4. For purposes of the notification in terms of section 6E of the FI Act, the Respondent elects to receive notification via e-mail at lanissa@mweb.co.za and christo@eaglewatch.co.za.

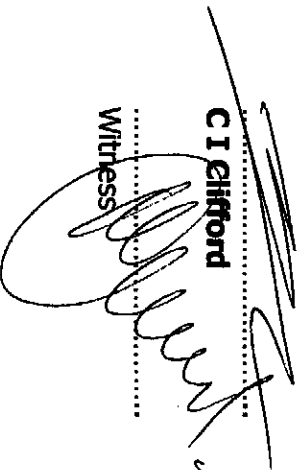
6.5. This agreement constitutes the whole agreement between the parties in respect of the offer to pay a penalty.

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


.....
G E Anderson
.....

Witness Qweke.....
Witness

Signed at Centurion on 26 June 2011 on behalf of the Respondent.


.....
C I Clifford
.....
Witness [Signature]
Witness