

**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: **16/2011**

In the matter of:

**THE REGISTRAR OF FINANCIAL SERVICES
PROVIDERS**

The Applicant

and

**GERTEL ALGEMENE HANDELAARS CC
t/a MULTI BROKERS**

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 sections 7(1) and 13(1)(b) of the Financial Advisory and Intermediary Services Act, No 37 of 2002, and impose a penalty of R45 000 to be paid on or before 31 October 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 ^{27th}..... day of **JULY 2011**.



C F Eloff
Chairperson of the Enforcement Committee

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**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 16/2011. The Applicant is herein represented by German Emmanuel Anderson.

1.1. Gertel Algemene Handelaars CC t/a Multi Brokers (the Respondent) is the Respondent in this matter. The Respondent is a closed corporation incorporated in terms of the laws of

South Africa. The Respondent is herein represented by Mr G A Fouche ("Fouche"), its Chief Executive Officer.

2. Background information to the agreement

- 2.1. On 1 June 2008, the Respondent and African Life Assurance Company (Pty) Limited ("African Life") entered into a "brokerage agreement" in terms whereof the Respondent was authorised to promote, canvass and market the long-term insurance policies of African Life, and to "solicit and procure applications" for such products. The Respondent acted as an FSP with regard to the aforementioned insurance policies since inception of the agreement to date.

- 2.2. On 1 February 2010, the Respondent entered into a similar agreement with Safrican Insurance Company Limited ("Sfrican") with regard to its long-term insurance policies. The Respondent acted as an FSP with regard to the aforementioned insurance policies since inception of the agreement to October 2010.

2.3. On 15 September 2008, the Respondent entered into an agreement with Regent Life Limited in terms of which Regent Life underwrote a number of funeral schemes for Multi Brokers, until the agreement was terminated on 31 January 2010 by Regent Life. The Respondent acted as an FSP with regard to the aforementioned insurance policies since inception of the agreement to 31 January 2010.

3. The contravention of section 7(1) of the FAIS Act

3.1. The Respondent, during the periods and with reference to the financial products as set out above, acted as a financial services provider without having been issued with a licence to do so under section 8 of the Financial Advisory and Intermediary Services Act, No 37 of 2002 ("FAIS Act"), in contravention of section 7(1) of the FAIS Act.

4. The contravention of section 13(1)(b) of the FAIS Act

4.1. During the periods as set out in paragraph 2 above ("the periods"), the Respondent acted as a representative of African Life, Safrican and Regent ("the insurance companies") and

rendered financial services to its clients on behalf of the insurance companies.

4.2. During the periods, the Respondent was unable to provide confirmation to clients, certified by the insurance companies:

4.2.1. That it had a mandate to represent the insurance companies, in contravention of section 13(1)(b)(i)(aa) of the FAIS Act; and

4.2.2. That the insurance companies accept responsibility for the activities of the Respondent performed in the scope of its mandate, in contravention of section 13(1)(b)(i)(bb) of the FAIS Act.

5. The mitigating circumstances

5.1. Nobody suffered prejudice as a result of the contraventions.

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

5.3. The Respondent has since regularised its activities by successfully applying for an FSP licence.

6. The agreed penalty

6.1. 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 pay a penalty of:

6.1.1. R45 000 in settlement of the contravention of section 7(1) and sections 13(1)(b)(i)(aa) and (bb) of the FAIS Act;

6.2. The penalty is to be paid by the Respondent by no later than 31 October 2011 to the Applicant.

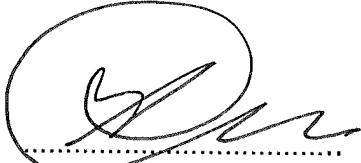
6.3. The parties humbly request that the Honourable Chairperson makes the settlement an order, as envisaged in section 6B(7)(b) of the Financial Institutions (Protection of Funds) Act.

7. Other conditions

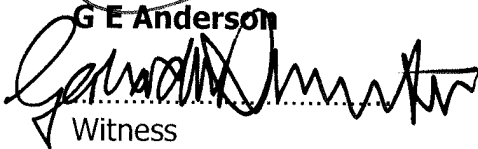
- 7.1. This agreement is subject to approval by the Enforcement Committee and the parties specifically record that they are aware of the possibility that the Enforcement Committee may not accept the terms of this agreement.
- 7.2. If the Respondent does not comply with the terms of this agreement and 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.
- 7.3. Any receipt of a payment by the FSB after the due date shall be without prejudice to any of the rights of the FSB.
- 7.4. For purposes of the notification in terms of section 6E of the FI Act, the Respondent elects to receive notification via e-mail at gert@multibrokers1.co.za.

7.5. 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

Signed at PRETORIA on 22nd July 2011 on behalf of the Respondent.


G A Fouche

Witness